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OVERVIEW

Global economic activity is set to improve during the year and further strengthen through 2015 as advanced economies, particularly the United States, steer progress. Global growth pace for the year is expected to reach 3.6 percent and further strengthen to 3.9 percent in 2015. Japan's growth pace is expected to moderate. In emerging market economies, the uncertainty of capital flows and internal vulnerabilities remain the key risks, while in developing economies, external shocks and market disorder could set growth on the downside.

The robust second half growth momentum in 2013 as a result of improved exports growth and inventory demand in the US is expected to moderate slightly. However, this expected slowdown is projected to remain quite above its 2013 level. China is projected to remain strong at 7.5 percent while India's growth is predicated upon government's action. Growth momentum in sub-Saharan Africa is expected to improve due to strong investment in natural resources along with infrastructural development as well as the recovery in the advanced economies.

Inflationary pressure is expected to stay at bay during the year as forecast by the WEO April 2014 edition. Inflation in advanced economies will slightly tilt up to 1.5 percent, from 1.4 percent in 2013 and slightly ease to 5.5 percent in emerging market and developing economies, from the 5.8 percent recorded in 2013.

Domestically, real GDP growth is projected at 5.9 percent in 2014, 2.8 percentage points lower than the revised rate of 8.7 percent in 2013. The performance of the economy will largely be driven by the mining & panning sector. Compared with sub-Saharan Africa growth forecast, Liberia is expected to exceed the region by 0.5 percentage points. Inflationary pressures continued and increased to 8.2 percent on account of exchange rate depreciation.

Performance of the agricultural sector was mixed. Except for sawn timber which registered increases and coffee data that was not available; rubber, cocoa and round logs declined compared with the fourth quarter of 2013.

Similarly, industrial production also exhibited mixed variations. Except for diamond, cement and mattresses which recorded increases in the review quarter, iron ore, gold, beverages, household products and water declined relative to the previous quarter.

The banking sector continued to show stability in key balance sheet items. Growth in deposits and loans signals more confidence and strength of the banking system as it continues to be well capitalized and liquid. However, profitability still remains a challenge.

Against the back drop of depreciation of major currencies against the US dollar, the average Liberian dollar exchange rate depreciated by 3.05 percent against the United States dollar to L\$84.38/US1.00 at end-March, 2014, from L\$81.88/US1.00 at end-December, 2013. In helping to smoothing the fiscal authority cash flow, the CBL on behalf of GoL issued three 91-days auctions which amounted to L\$ 224.3 million at the weighted discount rate of 3.37 percent. Towards the achievement of its policy objectives, the CBL conducted two bills auctions amounting to L\$1,605.0 million, at a weighted discount rate of 4.40 percent.

Fiscal operations during the first quarter of 2014 resulted in a deficit of L\$1,012.0 million. Actual revenue and grants decline by L\$126.8 million against its budgetary forecast of L\$10,012.8 million. Receipts from actual tax revenue amounted to L\$8,169.9 million while non-tax revenue (including grants) totalled L\$1,716.03 million. Recurrent expenditure totalled L\$9,495.3 million and capital expenditure amounted to L\$1,311.3 million.

Liberia's total public debt stock at end-March, 2014, stood at US\$660.6 million, up from US\$630.6 million during the preceding quarter in 2013. External and domestic debt stocks during the period stood at US\$365.7 million and US\$294.9 million, respectively.

Provisional overall balance of payments (BoP) for the quarter recorded a deficit of US\$148.7 million, from US\$142.9 million in the previous quarter. The current account deficit narrowed by 13.1 percent to US\$208.2 million at end-March, 2014, from US\$139.6 million at end-December, 2013. However, provisional capital and financial account balance stood at US\$350.4 million at end-March, 2014, from US\$311.1 million at end-December, 2013.

I. DEVELOPMENTS IN THE WORLD ECONOMY

1.0 Introduction

Global economic activity is set to improve during the year and further strengthen through 2015 as advanced economies steer the progress. Monetary policy stance and the slow fiscal consolidation, which began in the last quarter of 2013, will see growth in the United States of America (USA) showing better recovery and reaching close to potential in the core countries of the euro area. However, growth projection for other parts of Europe is expected to remain fragile as high debt and financial fragmentation constrains domestic demand.

In Japan, momentum for growth is expected to moderate as a result of fiscal consolidation, while in emerging market economies, the uncertainty of capital flows and internal vulnerabilities remain the key risks. External shocks and market disorder in developing economies could set growth on the downside for the year provided mechanisms to address any eventuality are rightly instituted.

According to the April 2014 edition of the World Economic Outlook (WEO), momentum in global growth pace for the year is expected to reach 3.6 percent and further strengthen to 3.9 percent in 2015. However, given the recent developments in Russia and Ukraine, these growth prospects could possibly be undermined.

1.1 The US Economy

The robust second half growth momentum in 2013, as a result of improved exports growth and inventory demand in the US, is expected to moderate partly due to unfavorable weather condition in the first quarter of 2014. However, this expected slowdown is projected to remain quite above its 2013 level given the moderate fiscal consolidation, decline in primary structural balance and the favorable monetary condition, including flexible bank lending, improve household wealth and the recovering real estate sector that is unfolding. Given these developments, the IMF forecasts that growth for the US is expected to reach 2.8 percent in 2014.

1.2 The Euro Area

The recovery in the euro area which started in the last quarter of 2013 has gained greater strength and showed positive figure for the first quarter of 2014. Supportive monetary and labor market conditions and improved consumer confidence have helped steer the recovery of domestic demand in Germany. Additionally, the strong reduction in fiscal pace in other parts of the euro area is expected to help improve the growth prospect including that of the core economies. However, demand growth might remain weak in other parts of the zone due to financial fragmentation, pass through of credit supply shocks, and impaired corporate balance sheets. Given these bottlenecks, forecast by the WEO April Edition puts growth at 1.2 percent in 2014 and 1.5 percent in 2015.

1.3 Asia

Growth in emerging and developing Asia is expected to remain robust at 6.7 percent, up from 6.5 percent in 2013. Japan's growth is expected to increase due to growth in investment and exports. However, the tightening of fiscal policy stance in the face of increased consumption tax could slow the growth pace moderately to 1.4 percent for the year and 1.0 percent in 2015. China is projected to remain strong at 7.5 percent slightly lower than the 7.7 percent recorded last year. Expectations of increase credit growth and reforms implementation are the key drivers of growth in China. Other parts of Asia are also anticipated to enhance growth in the region. Growth in India is expected to step up by 1.0 percentage point to 5.4 percent in 2014. However, India's growth is predicated upon the assumptions that government efforts to revive investment growth will succeed and export growth will strengthen due to exchange rate depreciation.

1.4 Emerging Market and Developing Economies

Forecast from the WEO April, 2014 edition puts emerging market and developing economies growth slightly above that recorded in 2013 by 0.2 percentage points to 4.9 percent. Though growth was weaker in the last half of 2013, it is expected to pickup in 2014 due to increased export growth and currency depreciation. However, challenges in some other parts of the region that may constrain growth are supply-side and structural constraints on investment and infrastructure bottlenecks which are still lingering. According to the WEO April, 2014 edition, emerging market and developing economies will continue to strongly contribute to global growth and is projected to reach 5.3 percent in 2015.

1.5 Sub-Saharan Africa

Growth momentum in sub-Saharan Africa is expected to improve over the 4.9 percent recorded in 2013 and stabilize around 5.5 percent in 2014 and 2015. This growth prospect is a result of strong investment in natural resources along with infrastructural development as well as the recovery in the advanced economies. Growth in South Africa is projected to improve only modestly as a result of stronger external demand, while, in Nigeria, it will strengthen due to oil prices movements. Additionally, as a result of domestic political and security situation, massive investments in infrastructure and mining, and maturing investments in other parts of the region, growth is expected to strengthen.

1.6 Global Inflation

Inflationary pressure is expected to stay at bay during the course of the year partly due to declines in commodity prices, especially food and fuel. In advanced economies, inflation is currently stuck below target and below the longer-term inflation expectations. Also, in emerging market and developing economies, easing world commodity prices is expected to moderate inflation pressure. However, in some economies, due to exchange rate depreciation, inflation moderation could be counteracted. According to the WEO April 2014 edition, forecast suggests that inflation in advanced economies will slightly tilt up to 1.5 percent, from 1.4 percent in 2013 and slightly ease to 5.5 percent in emerging market and developing economies, from the 5.8 percent recorded in 2013.

Table 1: Growth of Selected Global Output

	2012	2013	Projections		Difference from	
			2014	2015	January 2014 WEO	Update
World Output	3.2	3.0	3.6	3.9	-0.1	-0.1
Advanced Economies	1.4	1.3	2.2	2.3	0.0	0.0
United States	2.8	1.9	2.8	3.0	0.0	0.0
Euro Area	-0.7	-0.5	1.2	1.5	0.1	0.1
Japan	1.4	1.5	1.4	1.0	-0.3	0.0
United Kingdom	0.3	1.8	2.9	2.5	0.4	0.3
Canada	1.7	2.0	2.3	2.4	0.1	0.0
Emerging Market and Developing Economies	5.0	4.7	4.9	5.3	-0.2	-0.1
Commonwealth of Independent States	3.4	2.1	2.3	3.1	-0.3	0.1
Emerging and Developing Asia	6.7	6.7	6.7	6.8	0.0	0.0
China	7.7	7.7	7.5	7.3	0.0	0.0
India	4.7	4.4	5.4	6.4	0.0	0.0
Latin America & the Caribbean	3.1	2.7	2.5	3.0	-0.4	-0.3
Middle East & North Africa	4.2	2.4	3.2	4.4	-0.1	-0.4
Sub-Saharan Africa	4.9	4.9	5.4	5.5	-0.7	-0.3
Consumer Prices						
Advanced Economies	2.0	1.4	1.5	1.6	-0.2	-0.1
Emerging and Developing Economies	6.0	5.8	5.5	5.2	-0.2	-0.1

Source: IMF World Economic Outlook Update: April, 2014

II. DOMESTIC PRODUCTION AND CONSUMER PRICES

2.0 INTRODUCTION

Real GDP growth of the Liberian economy is projected at 5.9 percent in 2014, 2.8 percentage points lower than the revised rate of 8.7 percent in 2013. The performance of the economy will be largely driven by the mining and panning sector. The sector is expected to grow at 4.3 percent in 2014; having grown at 49.6 percent at end-2013. However, all of the major sectors in the economy, excluding the mining & panning sector, are expected to show rising growth rates in 2014 relative to 2013. When compared with the 5.4 percent estimated growth rate for sub-Saharan Africa, Liberia is expected to exceed the region by 0.5 percentage points. Outlook of economic performance in 2015 is positive with the growth rate projected at 6.8 percent.

2.1 Sectoral Review

2.1.1 Agriculture and Forestry

The Performance of the agricultural sector was mixed. Except for sawn timber which showed an upward movement and coffee which was not produced, rubber, cocoa and round logs declined during the first quarter of 2014 compared with the preceding quarter a year ago (**Table 2**).

Table 2: Key Agricultural Production

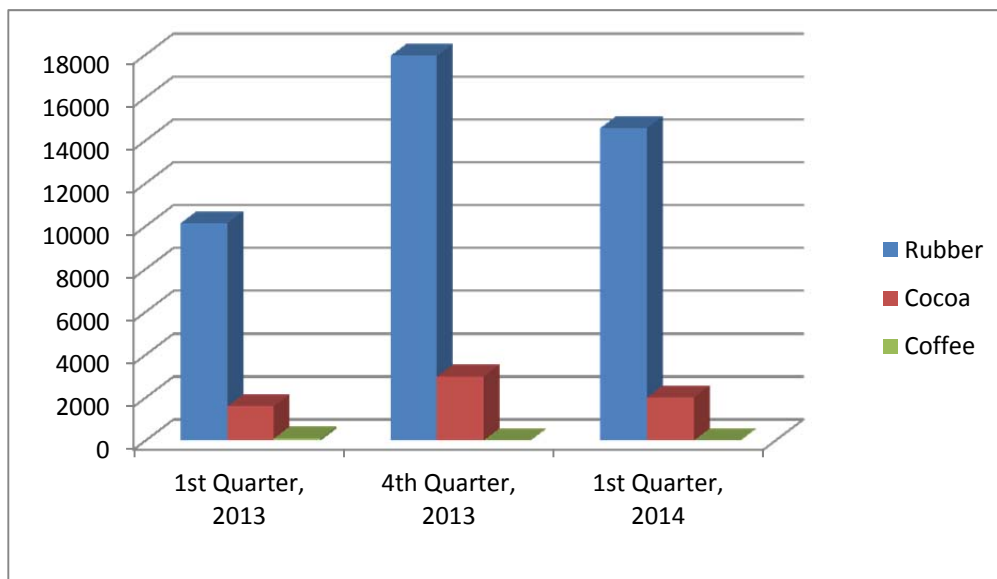
(1st & 4th Quarters, 2013; 1st Quarter, 2014)

Commodity	Unit	1 st Quarter, 2013	4 th Quarter, 2013	1 st Quarter, 2014
Rubber	Mt	10,139	17,950	14,584
Cocoa	Mt	1,594	2,987	2,012
Coffee	Mt	96	NA	NA
Round Logs	M3	NA	13,471	11,191*
Sawn Timber	Pcs	100,961	111,926	120,722*

SOURCE: Ministry of Commerce & Industry; Liberia Produce & Marketing Corporation; Forestry Development Authority

**estimate*

**Chart 1: Key Agricultural Production
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Metric Tons)**



a. Rubber

Rubber output during the quarter was 14,584 metric tons, down from 17,950 metric tons recorded at end December, 2013; reflecting a decline of 18.8 percent. The reduction was mainly attributed to the fall in the world market price of the commodity during the quarter. Rubber production increased by 43.8 percent or 4,445 metric tons, compared with the corresponding quarter of 2013 (Table2& Chart1).

b. Cocoa & Coffee

Output of cocoa beans at end-March, 2014 declined by 32.6 percent to 2,012 metric tons, from 2,987 metric tons reported in the preceding quarter. The fall in output was mainly due to the slump in the global price of the commodity. Compared with the output in the same period of 2012, cocoa production increased by 418 metric tons, representing 26.2 percent growth. Data on coffee production was not available for the review and preceding quarters.

c. Sawn Timber

Output of sawn timber at end-March, 2014 was estimated at 120,722 pieces, up from 111,926 pieces; reflecting an increase of 8,796 pieces or 7.9 percent when matched against production of the previous quarter. The rise was mainly due to improvements in local demand for the commodity. Year-on-year comparison shows that current production rose by 19,761 pieces above the 100,961 pieces produced during the corresponding quarter (Table 2).

d. Round Logs

Total production of round logs at end-March, 2014 was 11,191 cubic meters, down from 13,471 cubic meters recorded during the preceding quarter. The 16.9 percent decline was largely attributed to the ongoing moratorium on Private User Permits imposed by the Government of Liberia. Corresponding quarter analysis could not be done due to data unavailability.

2.1.2 Industrial Production

2.1.2.1 Mining (Gold, Diamond and Iron ore)

Production in the mining sector during the review quarter was mixed; gold and iron ore recorded declines while diamond output registered an increase.

(i) Gold

Gold production at end-March, 2014 was 4,059 ounces, down from 4,178 ounces recorded in the previous quarter, reflecting a decline of 2.8 percent. The fall was largely due to the slowdown in global market price of the product. On an annualized basis, the production of gold also declined by 25.4 percent, from the 5,442 ounces mined at end-March, 2013.

(ii) Diamond

The production of diamond during the quarter recorded an increase of 3,556 carats to 17,623 carats, compared with 14,067 carats produced during the previous quarter. The rise was driven by growing alluvial mining activities due to dry season that provided easy access to diamond pits and an increase in the number of diamond fields. On a year-on-year basis, diamond production during the review quarter also increased by 6,217 carats or 54.5 percent.

(iii) Iron Ore

Iron ore production at end-March, 2014, totaled 1,440,430 metric tons, reflecting a quarterly decline of 3.1 percent, when matched against the output of the previous quarter. The slowdown was mainly on account of a slump in the global market price of the commodity. When measured against the corresponding quarter of 2013, iron ore output in the current quarter increased by 262,930 metric tons (22.3 percent).

2.1.2.2 Manufacturing

Like in the previous quarter ended December, 2013, activities in the manufacturing sector with multiple outputs were mixed during the review quarter. Cement, spirit, soft drink, soap, chlorox, candle and mattresses recorded increases, while the output of all other manufactured commodities declined.

(i) Cement

Cement production in the review quarter increased by 27,368 metric tons or 41.5 percent to 93,310 metric tons, up from 65,942 metric tons recorded at end-December, 2013. The rise in cement production was largely explained by increased capacity of the cement producing plant coupled with increased construction activities occasion by the dry season. Yearly comparison shows that cement output during the quarter under review increased by 72,819 metric tons, from 20,491 metric tons produced in the last quarter of 2013.

(ii) Beverages

Total output of beverages (alcoholic and non-alcoholic) during the quarter declined by 0.4 million liters or 6.0 percent to 7.0 million liters, slightly down from 7.4 million liters recorded at end-December, 2013. The reduction in output was mainly in response to huge inventory brought forward from the preceding quarter. Compared with the corresponding quarter in 2013, current production declined by 0.8 million liters (9.9 percent), from 7.8 million liters reported at the end of December, 2013. Of the aggregate production, non-alcoholic beverages (Malta and soft drinks) totaled 3.5 million liters, representing 49.8 percent while alcoholic beverages (spirit, beer and stout) which accounted for 50.2 percent, totaled 3.5 million liters (Table 3).

(iii) Soap

At end-March, 2014, soap production expanded by 8,348 kilograms or 13.4 percent to 70,876 kilograms, from 62,528 kilograms for the preceding quarter. The increase was largely due to management's decision to replenish stock, coupled with growing demand for the commodity. On a yearly basis, soap production also increased by 1,378 kilograms, representing about 2.0 percent growth.

**Table 3: Key Industrial Output
(1st & 4th Quarters, 2013; 1st Quarter, 2014)**

Commodity	Unit	1st Quarter, 2013	4th Quarter, 2013	1st Quarter, 2014
Diamond	Carat	11,406	14,067	17,623
Gold	Ounce	5,442	4,178	4,059
Iron ore	Mt.	1,177,500	1,486,820	1,440,430
Cement	Mt	20,491	65,942	93,310
Spirit	Litre	122,328	89,376	92,301
Beer	Litre	2,378,638	2,305,262	1,981,911
Stout	Litre	1,475,995	1,561,373	1,436,302
Malta	Litre	184,829	211,504	207,908
Soft Drinks	Litre	3,598,402	3,267,238	3,272,960
Oil Paint	Gal.	32,103	62,051	29,197
Water Paint	Gal.	26,510	58,526	43,296
Varnish	Gal.	5,550	6,168	3,689
Manoline Hair Grease	Kg.	4,830	12,390	7,342
Soap	Kg.	69,498	62,528	70,876
Candle	Kg.	41,433	47,565	65,048
Chlorox	Litre	199,829	168,031	208,383
Rubbing Alcohol	Litre	54,386	91,826	59,510
Thinner	Gal.	4,730	5,729	1,729
Mattresses	Pcs.	28,240	23,660	35,520
Finished Water	Gal.	289,269,198	506,674,840	429,035,601
Mineral water	Litre	N/A	N/A	8,524,738

(iv) Paint (Oil and Water)

Paint output significantly declined by 60.1 percent to 72,493 gallons during the review quarter, from 120,577 gallons produced at end-December, 2013. The reduction was mainly due to 52.9 percent declined in oil paint output. Of the total production of paint, oil paint accounted for 29,197 gallons (40.3 percent), while water paint amounted to 43,296 gallons (59.7 percent). Yearly analysis shows that output in the reporting quarter rose by 13,880 gallons, from 58,613 gallons produced at end-March, 2013 (Table 3).

(v) Varnish

Similarly, varnish production for the first quarter of 2014 declined by 40.2 percent to 3,689 gallons, from 6,168 gallons recorded in the previous quarter. The fall was mainly due to decline in the demand for the product. Compared with the corresponding quarter of 2013, output for the quarter declined by 33.5 percent.

(vi) Manoline Hair Grease

At end-March 2014, the total quantity of manoline hair grease produced was 7,342 kilograms, representing a decline of 40.7 percent, from 12,390 kilograms recorded in the previous quarter. The reduction was largely in response to large inventory brought forward from the previous quarter. However, yearly comparison shows that production in the review quarter increased by 52.0 percent.

(vii) Thinner

Thinner production at end-March, 2014 declined markedly by 4,000 gallons or 69.8 percent to 1,729 gallons, from 5,729 gallons produced during the preceding quarter. The fall was mainly on account of a fall in demand for the product as a result of decline in production of its complement (oil paint) during the review quarter. Yearly comparison shows that thinner production declined by 3,001 gallons, from 4,730 gallons recorded at end March, 2013.

(viii) Rubbing Alcohol

Total production of rubbing alcohol at end-March, 2014 fell by 32,316 liters or 35.2 percent. The fall was mainly due to a contraction in the demand for the commodity. However, on an annualized basis, output of the commodity rose by 9.4 percent, from 54,386 liters produced in the corresponding period.

(ix) Chlorox

Total chlorox production at end-March, 2014 significantly expanded by 24.0 percent to 208,383 liters, up from 168,031 liters reported in the previous quarter. The rise was mainly influenced by heightened demand for the product during the review quarter. Compared with the output of the corresponding quarter, chlorox production also increased by 4.3 percent, from 199,825 reported at end-March, 2013.

(x) Candle

At the end of the first quarter of 2014, total production of candle was 65,048 kilograms, from 47,565 kilograms recorded at end-December, 2013; representing 37.8 percent growth in production. A projected rise in demand for the commodity was the main driver for increased output during the review quarter. Annual comparison reveals that total production of candle also grew by 23,615 kilograms, from 41,433 kilograms at end of December, 2013.

(xi) Mattresses

For the quarter ended March, 2014, total production of mattresses was 35,520 pieces, a 50.1 percent increase when matched against the 23,660 pieces produced in the previous quarter. The rise was mainly driven by increased demand for the product occasioned by growing urbanization. On an annualized basis, production at end-March, 2014 grew by 7,280 pieces or 25.8 percent, from 28,240 pieces.

(xii) Water supply

Total supply of finish water during the review quarter was 429.0 million gallons, down from 506.7 million gallons produced at end-December, 2013; a 15.3 percent decline in output. The contraction was driven by leakages from several of the corrosive distributing pipes still in the system. Compared with the corresponding quarter of 2013, total water supply also declined by 139.8 million gallons.

(xiii) Consumption of Petroleum Products

Total consumption of petroleum products at end-March, 2014 was 22.1 million gallons, up from 20.8 million gallons for the preceding quarter. The rise was on account of increased consumption of both Jet-Fuel (Jet-A) and Diesel (AGO) during the review quarter. On a disaggregated basis, Premium Motor Spirit (PMS), Jet-Fuel (Jet-A) and Diesel (AGO) accounted for 32.12 percent, 55.67 percent and 12.21 percent, respectively, for total

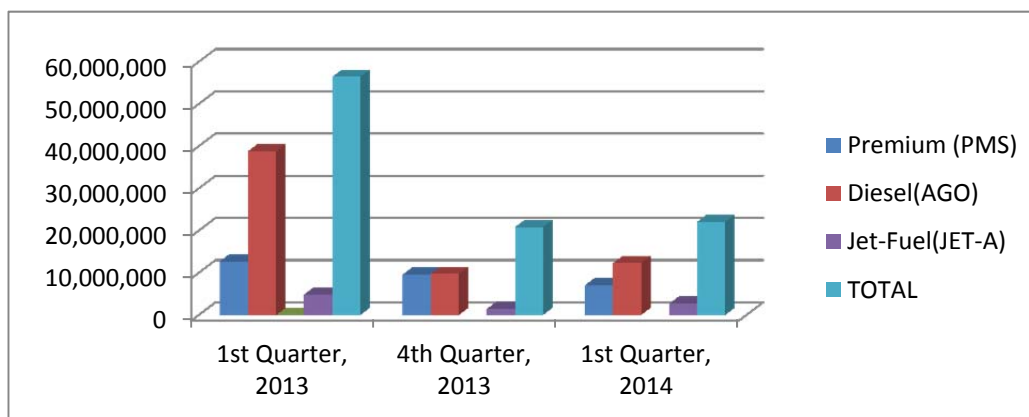
consumption of petroleum products in the review quarter. Analysis of Kerosene (ATK) consumption was not possible due to unavailable data. Annualized comparison shows that petroleum consumption declined by 34.4 million at end-March, 2014 from 56.5 million reported at the end of March, 2013.

**Table 4: Consumption of Petroleum Products
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Gallon)**

Products	Unit	1 st Quarter 2013	4 th Quarter 2013	1 st Quarter 2014
Premium(PMS)	Gallon	12,759,274	9,598,206	7,101,558
Diesel(AGO)	Gallon	38,803,132	9,754,017	12,308,919
Kerosene(ATK)	Gallon	0	-	-
Jet-Fuel(JET-A)	Gallon	4,898,704	1,492,440	2,700,234
Total		56,461,110	20,844,663	22,110,712

Source: Ministry of Commerce, Monrovia, Liberia

**Chart 2: Consumption of Petroleum Products
(1st & 4th Quarters, 2011; 1st Quarter, 2012)
(In Gallons)**



2.3 Sea Port Developments

At end-March, 2014, a total of 152 vessels with a combined SDWT¹ of 4,748,856.72 docked at the ports of Monrovia, Greenville and Buchanan, respectively, representing 14.2 percent increase in the number of vessels berthed compared with the previous quarter. In terms of percentage distribution, Monrovia, Buchanan and Greenville accounted for 65.7 percent, 33.6 percent and 0.7 percent, respectively.

The increase in vessel traffic during the review quarter was on account of revitalization of the marginal wharf at the Freeport of Monrovia by APM Terminals (the cargo handling concessionaire). Annual comparison shows that total number of vessels docked increased by 7,

¹ Summer Dead Weight Tons

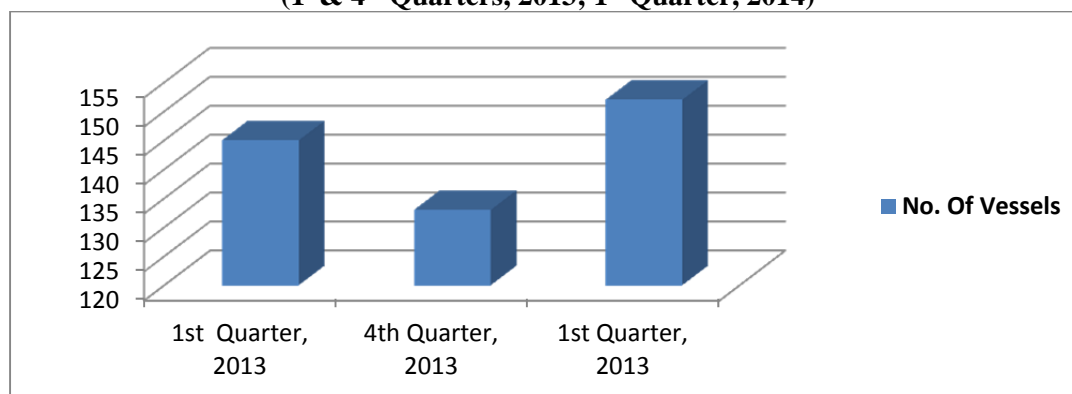
from 145 vessels recorded at end-March 2013. Of the total cargo tonnage (2,144,569 metric tons) during the review quarter, imports accounted for 24.1 percent while export constituted 75.9 percent.

**Table 5: Vessel Traffic and Cargo Movements
(1st & 4th Quarters, 2013; 1st Quarter, 2014)**

	No. Of Vessels	Vessel Weight (SDWT*)	Cargo Tonnage (in Metric tons)		
			Imports	Exports	Total
1st Quarter 2013	145	3,567,620	357,358	1,357,721	1,714,879
4th Quarter 2013	133	3,716,728	404,099	1,603,607	2,007,706
1st Quarter 2014	152	4,748,857	516,147	1,628,422	2,144,568

*Source: National Port Authority (NPA), Monrovia, Liberia
SDWT=Summer Dead Weight Tons*

**Chart 3: Vessel Traffic and Cargo Movements
(1st & 4th Quarters, 2013; 1st Quarter, 2014)**



2.4 Price Developments

2.4.1 Domestic Inflation

Inflationary pressure continues to rise mainly as a result of exchange rate depreciation. Annual headline inflation which stabilised in January 2014 at 7.7 percent, moved up to 7.9 percent in February and further up to 8.9 percent in March 2014. On a quarterly basis, inflation in the reported period was 8.2 percent, 0.2 and 0.9 percentage points higher than the fourth and first quarters of 2013 respectively. The rise in inflation during the quarter relative to the previous and corresponding quarters was driven by exchange rate pressure feeding into non-food inflation. Non-food prices rose to 10.9 percent, from 6.8 percent at end-December, 2013 and 2.7 percent the same period a year ago.

Chart 4: Quarterly Inflationary Trends (%)

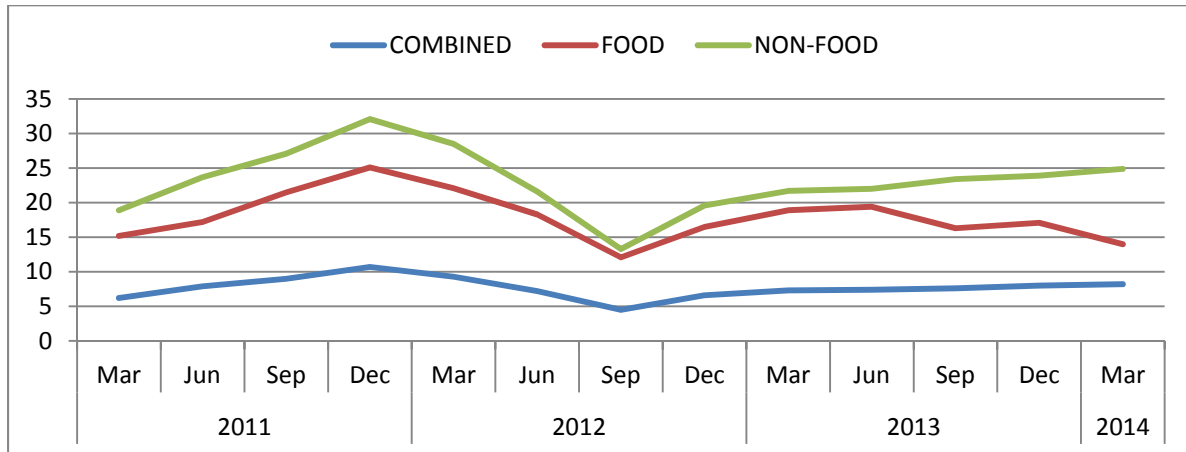
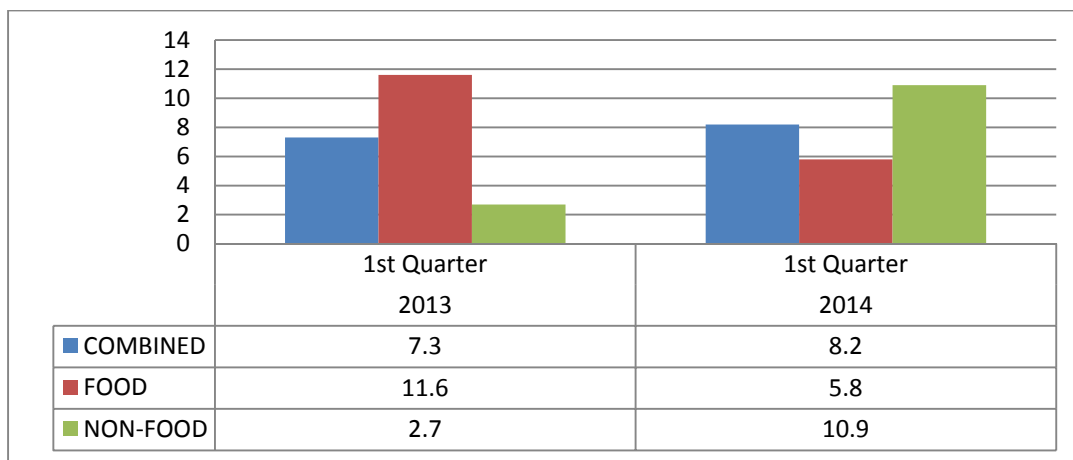


Chart 5: Quarterly Changes in CPI (%)



2.4.2 Inflation by Group

The developments in the sub-groups of the consumer basket during the first quarter of the year show a higher outturn for inflation when compared with the same period a year ago. Except for food inflation which declined and education that remained stable in the quarter ended-March, 2014, all the other groups collectively drove up the overall inflation compared with the fourth quarter of 2013.

In the Food group, coffee, tea & cocoa sub-group recorded the highest inflation of 31.4 percent at end-March 2014, above the 6.3 percent reported in the same period of 2013. This was followed by stone fruit 29.8 percent, from 6.7 percent; frozen edible, 27.1 percent, from 10.2 percent; and confectionary products, 7.4 percent, from -23.3 percent for the same period a year ago.

In the non-food group, furnishings recorded the highest rate of inflation of 18.7 percent in the first quarter of 2014, from negative 1.0 percent the same period a year ago. This was followed by clothing and footwear to 16.6 percent, from 5.4 percent; restaurant & hotels to 13.3 percent, from 2.4 percent; health to 11.8 percent, from negative 30.8 percent; transport to 11.2 percent, from 3.7 percent; recreation & culture to 10.5 percent, from 6.6 percent; communication to 1.3 percent, from 0.2 percent; and housing to 0.6 percent, from 0.3 percent during the same period of 2013.

2.4.3 Contributions to changes in CPI

In terms of contributions to changes in consumer prices, the food and non-alcoholic beverages group contributed an average of 59.8 percent towards overall inflation during the first quarter of 2014, while non-food group accounted for the remaining 40.2 percent; compared with the average contributions of 62.6 percent and 37.4 percent, respectively for the food and non-food groups a year earlier.

2.4.4 Outlook for Inflation

The build-up of inflationary pressure throughout the four quarter of 2013 continued into the first quarter of 2014. Major risks to inflation include the global prices of food and oil, the level of domestic food production, and the rate of depreciation of the Liberian dollar. However, the impact may be moderated by low global food and energy prices in the second quarter of 2014, which could ease overall inflation.

Table 6: Headline and Quarterly Changes in CPI (%)

	Headline Inflation (yr-on-yr changes)			Monthly Changes in HCPI (%)		
	Combined	Food	Non-Food	Combined	Food	Non-Food
Jan-12	8.9	11.9	5.9	0.6	0.8	0.5
Feb	10.3	13.6	6.6	1.8	3.1	0.5
Mar	8.7	12.8	6.6	-1.4	-2.7	0.0
Apr	7.7	11.7	3.8	-0.5	-1.1	0.1
May	6.7	10.4	3.1	0.5	0.4	0.7
Jun	7.1	11.2	3.0	2.0	3.8	0.2
Jul	3.6	5.6	1.5	1.6	3.5	-0.5
Aug	4.3	7.5	0.7	1.6	3.7	-0.8
Sep	5.7	9.6	1.6	-1.1	-2.8	0.9
Oct	4.8	6.1	3.5	1.1	0.3	1.9
Nov	7.3	11.5	2.9	0.8	2.2	-0.7
Dec	7.7	12.2	3.0	0.5	0.7	0.3
Jan-13	8.0	13.4	2.4	0.9	1.9	-0.2
Feb	5.5	7.7	3.1	-0.6	-2.1	1.1
Mar	8.4	13.7	2.9	1.3	2.6	-0.1
Apr	8.7	15.0	2.1	-0.2	0.0	-0.6
May	6.5	9.9	3.0	-1.5	-4.1	1.5
Jun	7.0	11.1	2.6	2.6	4.9	-0.1
Jul	7.1	8.8	5.2	1.7	1.3	2.0
Aug	7.5	8.1	6.7	1.9	3.1	0.6
Sep	8.2	9.1	7.1	-0.5	-1.9	1.3
Oct	8.5	11.6	5.1	1.4	2.6	0.0
Nov	7.0	8.1	5.8	-0.6	-1.0	-0.1
Dec	8.5	7.7	9.4	1.9	0.4	3.7
Jan-13	7.7	5.6	10.2	0.1	-0.2	0.5
Feb	7.9	6.4	9.5	-0.4	-1.3	0.5
Mar	8.9	5.5	12.9	2.3	1.7	3.0

Sources: CBL & LISGIS, Monrovia, Liberia

Table 7: Inflation by sub-groups: Year-on-Year Changes in CPI (%)

INFLATION BY SUB-GROUPS: YEAR-ON-YEAR CHANGES IN HCPI(%): 2010-2012

Food Group	Weight	Q4-12	Q1-13	Q4-13	Q1-14	Non-Food Group	Weight	Q4-12	Q1-13	Q4-13	Q1-14
Frozen Meat	0.16	16.75	10.24	8.30	27.1	Alcoholic Beverages, Tobacco	3.03	0.00	10.90	9.77	7.33
Stone Fruits	0.27	4.31	6.65	-7.67	29.75	Clothing & Footwear	7.75	-3.77	4.79	4.58	3.90
Coffee, Tea & Cocoa	0.65	6.12	6.25	13.29	31.40	Housing, Water, Elect, Gas & Fuels	12	0.00	6.20	6.73	7.35
Sugar, jam, confectionary...	1.40	19.49	23.31	3.37	7.43	Furnish, H/H Equip, & Rout Maint	5.25	2.98	0.11	12.15	7.65
						Health	3.91	14.81	30.76	2.48	11.82
						Transport	6.11	0.00	3.65	3.19	11.24
						Communications	1.53	0.11	0.15	1.32	1.30
						Recreation & Culture	3.85	4.87	6.61	8.81	10.48
						Education	3.20	0.00	0.00	0.00	0.00
						Hotel & Restaurants	4.64	1.50	2.43	12.99	13.31
						Miscellaneous gds & serv.	3.53	4.98	5.38	9.28	16.03

**Table 8: Harmonized Consumer Price Index (HCPI) By Major Groups
Year-on-Year Rates of Inflation
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(December, 2005=100)**

FUNCTION	WEIGHT	13-Jan	13-Feb	13-Mar	1st Quarter	13-Oct	13-Nov	13-Dec	4th Quarter	14-Jan	14-Feb	14-Mar	1st Quarter
FOOD AND NON-ALCOHOLIC BEVERAGES	45.2	13.37	7.74	13.68	11.59	11.62	8.11	7.71	9.15	5.55	6.4	5.48	5.81
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	3.03	-0.31	2.76	6.32	2.92	6.43	6.47	8.04	6.98	11.81	8.66	10.4	10.29
CLOTHING AND FOOTWEAR	7.75	-0.84	2.41	1.49	1.02	9.5	10.17	10.56	10.08	14.89	15.17	19.67	16.58
ELECTRICITY, GAS AND OTHER FUELS	12	0.74	-0.21	-0.18	0.12	1.29	1.89	0.86	1.35	0.07	-0.24	1.83	0.55
EQUIPMENT AND ROUTINE MAINTENANCE OF THE	5.25	-2.55	-1.12	-1.22	-1.63	7.27	8.9	13.69	9.95	23	12.06	20.04	18.37
HEALTH	3.91	0	0	-3.25	-1.08	0	2.67	4.76	2.48	5.19	8.12	22.15	11.82
TRANSPORT	6.11	10.94	10.89	10.52	10.78	-2.94	-2.11	14.36	3.1	8.5	12.59	12.65	11.24
COMMUNICATION	1.53	0.15	0.15	0.15	0.15	1.27	1.3	1.4	1.32	1.43	1.02	1.47	1.3
RECREATION AND CULTURE	3.85	6.7	6.58	6.54	6.61	8.06	9.07	9.3	8.81	9.88	9.64	11.91	10.48
EDUCATION	3.2	0	0	0	0	0	0	0	0	0	0	0	0
RESTUARANTS AND HOTELS	4.64	2.5	2.45	2.35	2.43	13.12	13.29	12.55	12.99	12.6	12.34	14.98	13.31
MISCELLANEOUS GOODS AND SERVICES	3.53	5.38	5.44	5.3	5.37	5.74	6.26	15.83	9.28	15.27	14.11	18.72	16.03
GENERAL RATE OF INFLATION	100	8	5.48	8.38	7.29	8.54	7.04	8.49	8.02	7.68	7.86	8.91	8.15

Sources: CBL & LISGIS, Monrovia, Liberia

III. MONETARY AND FINANCIAL DEVELOPMENTS

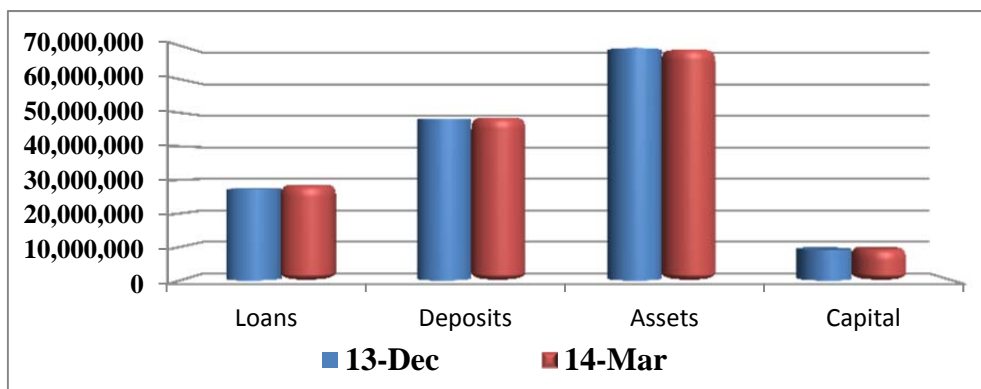
Money and Banking

3.1 Banking Developments

The banking sector remained on a steady path with strong performance in key balance sheet items during the quarter (Chart 6). The industry continues to be well capitalized and liquid with significant growth in deposits and loans. However, profitability still remains a challenge due to the poor quality of loans stemming from poor credit culture and relatively high operating expenses associated with the poor state of infrastructure, especially electricity supply.

Data on the banking industry for the first quarter of 2014 indicate that total assets declined slightly by 0.4 percent to L\$70.0 billion over the previous quarter, but grew by 15.0 percent over the corresponding period in 2013. Total loans and advances rose by 4.0 percent to L\$28.3 billion compared with the last quarter and also surge by 40.0 percent over the same period in 2013. Deposits recorded a slight increase of 0.7 percent to L\$48.6 billion compared with the previous quarter, and also increase by 16.0 percent over the level recorded a year ago. Total capital also increased by 3.0 percent to L\$9.3 billion when compared with the previous quarter, and 13.0 percent over the corresponding period in 2013. Overall, the growth rates reflect growing public confidence in the banking system and expansion of economic activities within the country.

Chart 6: Loan, Deposits, Assets and Capital of the Banking System
4th Quarter 2013 and 1st Quarter 2014
(In '000' L\$)



Capital Adequacy Ratio (CAR) for the industry declined by 4.4 percentage points, from 24.9 percent in the last quarter to 20.5 percent at end-March, 2014 with all of the banks being in excess of the 10.0 percent minimum requirement. The industry net worth increased by 3.0 percent over the same period. However, relative to the minimum net worth for each bank, two banks fell below the minimum requirement of US\$10.0 million.

Non-performing loans (NPLs) as a percentage of total loans in the industry at end-March, 2014, declined slightly by 0.3 percentage points to 14.5 percent, from 14.8 percent in the previous quarter. Compared with the corresponding quarter in 2013, non-performing loans ratio declined by 5.8 percentage points, from 20.3 percent to 14.5 percent at end-March, 2014. The improvement was due to the continuous monitoring of loan quality by the CBL as well as write-offs of some delinquent loans by several banks in the industry. The volume of non-performing loans declined slightly by 0.03 percent compared to end-March, 2013. Five of the 9 banks reported non-performing loans to total loans above the tolerable limit of 10.0 percent, while the remaining 4 banks were within the limit.

The banking industry recorded gross earnings of L\$1.867 billion and total operating profit (before loan loss provisions and taxes) of L\$1.765 billion at the end of the reporting quarter. However, due to high operating costs and loan provisioning, the industry recorded a net loss of L\$244.29 million as at end-March, 2014, an improvement of 62 percent from the corresponding quarter in 2013. Profitability in the banking sector remains a challenge, largely on account of high operating costs of banks, coupled with high loan loss provisions due to poor asset quality.

The banking industry, which continues to maintain a strong liquidity position, recorded a liquidity ratio of 25.4 percent at the end of the first quarter of 2014. All of the banks were above the minimum required liquidity ratio of 15 percent. The total liquid assets of the industry for the current period was L\$12.31 billion. Two of the banks have loan to deposit ratios above the CBL acceptable limit of 70.0 percent. However, the banking industry has a comfortable liquidity position to meet the liquidity needs of customers and other contingent liabilities.

As reported above, on an aggregate basis, the banking system experienced steady growth of the key areas of its balance sheet. Total loans increased significantly by 40.0 percent over the level recorded a year ago, a sign that the banks have improved their level of financial intermediary role in the economy. However, asset quality and earnings still remained the major challenges for the sector, which the ongoing reform agenda of the CBL seeks to address. Regular onsite examinations are conducted at each bank every year, which has helped to strengthen the risk management practices at the banks and has led to banks making adequate provisions for bad loans. Improvement in loan quality in the industry will lead to more profits and less required provisions which will in turn improve earnings of the sector.

3.2 Commercial Bank Credit

Growth in Credits to various sectors of the economy for the quarter moderated to 4.1 percent compared to the previous quarter's rate of 6.3 percent (Table 9 & Chart 7). The slowdown was mainly influenced by declines in loans extended to service-related institutions, public corporations and individuals², respectively by 36.1 percent, 18.8 percent and 16.8 percent. Year-on-year comparison reveals that credit growth expanded by 40.7 percent on the back of a 137.6 percent increase in credit to the construction sector.

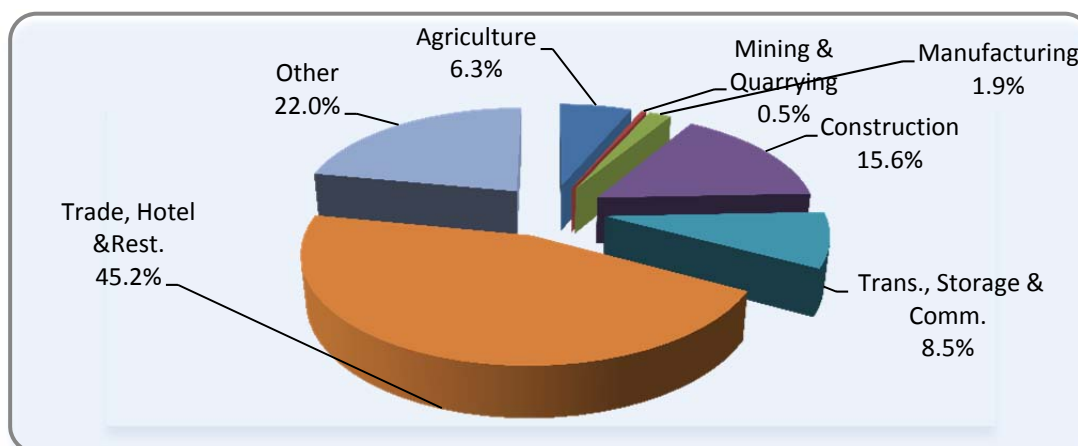
**Table 9: Commercial Bank Loans by Economic Sector
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In '000' L\$)**

	2013				2014	
	1 st Quarter	Share	4 th Quarter	Share	1 st Quarter	Share
Agriculture	1,279,791.9		1,494,837.9	5.5	1,782,106.6	6.3
Mining & Quarrying	151,978.0		100,320.0	0.4	134,406.0	0.5
Manufacturing	419,155.0		371,910.0	1.4	545,043.9	1.9
Construction	1,859,562.0		2,933,641.8	10.8	4,419,157.2	15.6
Trans., Storage &	1,714,390.7		2,274,076.9	8.4	2,394,505.1	8.5
Trade, Hotel & Rest.	8,385,823.1		10,860,881.0	40.0	12,788,116.9	45.2
Other	6,291,743.3		9,133,697.5	33.6	6,212,675.5	22.0
Total	20,102,444.0	100.0	27,169,365.1	100.0	28,276,011.2	100.0

Source: Central Bank of Liberia, Monrovia, Liberia

²Service-related institutions, public corporations and individuals are captured under the "Others" Sector

Chart 7: Percentage Distribution of Commercial Bank Loans by Economic Sector (1st Quarter, 2014)



3.3 Interest Rate

Trends in the interest rates for the quarter recorded mixed movements, compared with the preceding quarter. Average rates on lending and mortgage declined while interest rates on time deposits, savings and certificate of deposits show increases with personal loan rate remaining unchanged. However, yearly comparison shows that interest rates for the quarter generally show upward movement (Table 10). The spread between the average lending and saving rates slightly decreased by 0.09 percentage (9.0 basis points) point, reflective of the gradual competitiveness of the banking sector.

Table 10: Commercial Bank's Interest Rates (1st & 4th Quarters, 2013; 1st Quarter, 2014)

Commercial Banks' Interest Rate	2013		2014
	1 st Quarter	4 th Quarter	1 st Quarter
Avg. Lending Rate	13.02	13.73	13.65
Avg. Personal Loan Rate	13.21	14.01	14.01
Avg. Mortgage Rate	12.00	14.29	14.25
Avg. Time Deposit Rate	3.60	3.60	3.80
Avg. Savings Rate	2.00	1.99	2.00
Avg. Rate on CDs	3.00	2.50	2.99

Source: Central Bank of Liberia, Monrovia, Liberia

3.4 Exchange Rate

The average Liberian dollar exchange rate depreciated by 3.05 percent against the United States dollar to L\$84.38/US1.00 at end-March, 2014, from L\$81.88/US1.00 at end-December, 2013. Yearly comparison shows that the average exchange rate considerably weakened by 13.3 percent, from L\$74.50/US\$1.00 at end-March, 2013. Major factors contributing to the pressure in the foreign exchange market include reduced export earnings to the economy due to slowdown in the global prices of commodity exports, decline in net inward remittances, and over reliance on imports.

**Table 11: Market Exchange Rate: Liberia Dollar per US Dollar
(1st & 4th Quarters, 2013; 1st Quarter, 2014)**

	2013		2014
	1 st Quarter	4 th Quarter	1 st Quarter
Market Rate End of Period	74.50	82.50	85.50
Market Rate Period Average	74.50	81.88	84.38

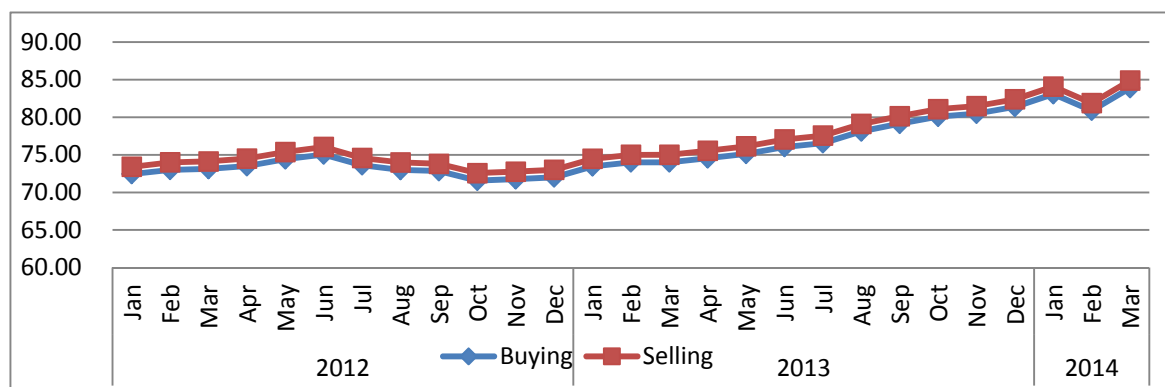
Source; Central Bank of Liberia, Monrovia, Liberia

**Table 12: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar
(2012-March, 2014)**

Period Average	2012		2013		2014	
	Buying	Selling	Buying	Selling	Buying	Selling
January	72.44	73.40	73.46	74.46	83.07	84.07
February	73.00	74.00	74.00	75.00	80.88	81.88
March	73.11	74.11	74.00	75.00	83.88	84.88
April	73.50	74.50	74.54	75.54		
May	74.41	75.37	75.13	76.13		
June	75.04	76.04	76.04	77.04		
July	73.62	74.58	76.56	77.56		
August	72.99	73.99	78.11	79.11		
September	72.84	73.80	79.14	80.14		
October	71.56	72.56	80.07	81.07		
November	71.75	72.75	80.48	81.48		
December	72.00	73.00	81.38	82.38		

Source: Central Bank of Liberia, Monrovia, Liberia

**Chart 8: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar
(2012-March, 2014)**



3.5 Monetary Policy Stance

The conduct of monetary policy by CBL continues to be focused on the achievement of exchange rate and price level stability within the economy. The introduction of the T-bills auction and CBL’s notes is also aiding the process of Liberian-dollar liquidity management, in addition to the Foreign Exchange Auction.

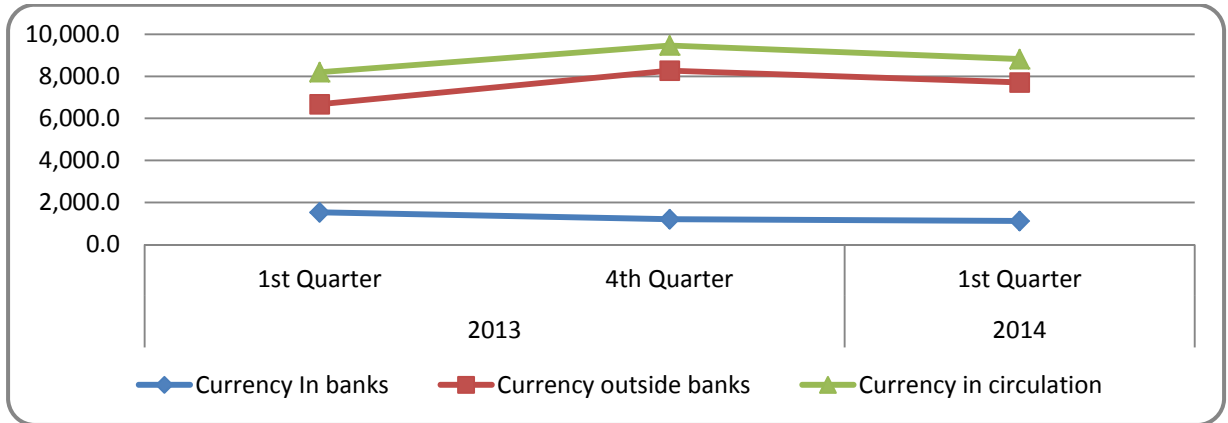
3.6 Liberian Dollars in Circulation

For the first quarter of 2014, Liberian dollars in circulation totaled L\$8,820.2 million, representing a decline of 6.8 percent compared with L\$9,468.0 million reported for the 4th quarter of 2013. The fall was mainly on account of 6.9 percent and 6.8 percent reductions in currency in and outside banks, respectively. An annualized comparison showed that currency in circulation increased by 7.6 percent when view against the L\$8,197.7 million recorded for the same period a year ago (Table 13 & Chart 9).

**Table 13 Liberian Dollars in Circulation
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Millions L\$)**

	2013		2014
	1 st Quarter	4 th Quarter	1 st Quarter
Currency in banks	1,525.3	1,196.2	1,114.0
Currency outside banks	6,672.4	8,271.7	7,706.2
Currency in circulation	8,197.7	9,468.0	8,820.2

Chart 9: Liberian Dollars in Circulation
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Millions L\$)



3.7 Money Supply (M1)

Narrow money supply (M1) in the quarter fell by 4.2 percent to L\$37,061.6 million from L\$38,666.5 in the preceding quarter on account of 3.4 percent and 6.8 percent falls in demand deposits and currency outside banks, respectively. Year-on-year growth stood at 16.4 percent (Table 14: & Chart 10).

Table 14: Money Supply and its Sources
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Millions L\$)

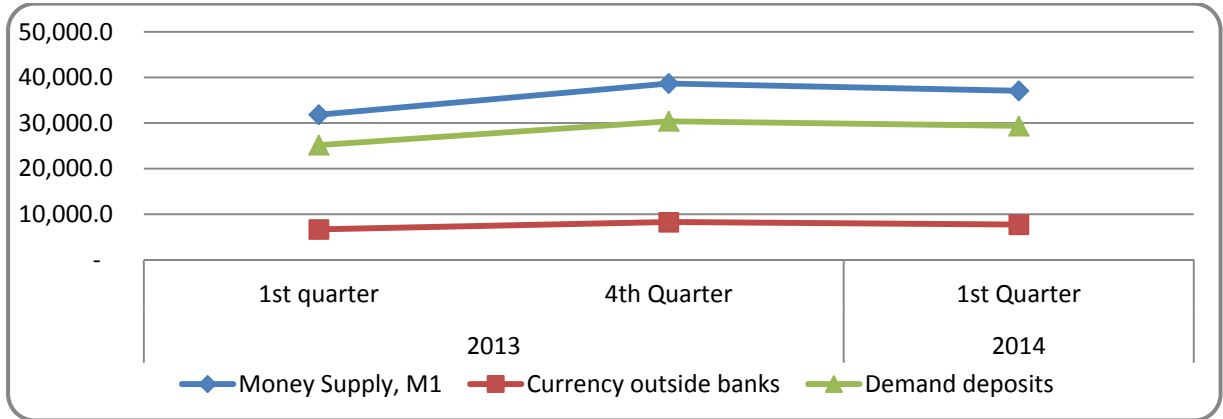
Monetary Aggregates	2013		2014	Percent Change	
	1 st Quarter	4 th Quarter	1 st Quarter	Year-on-year	Quarterly
1.0 Money Supply, M2 (1.1 + 1.2)	46,291.7	54,956.4	54,326.9	17.4	-1.1
1.1 Money Supply, M1	31,839.3	38,666.5	37,061.6	16.4	-4.2
1.1.1 Currency outside banks	6,672.4	8,271.7	7,706.2	15.5	-6.8
1.1.2 Demand deposit ^{1/}	25,166.9	30,394.8	29,355.4	16.6	-3.4
1.2 Quasi Money	14,452.4	16,289.9	17,265.3	19.5	6.0
1.2.1 Time & Savings deposits	14,094.2	16,252.3	17,226.5	22.2	6.0
1.2.2 Other deposits ^{2/}	358.3	37.6	38.8	-89.2	3.2
2.0 Net Foreign Assets	23,822.0	28,359.4	23,515.4	-1.3	-17.1
2.1 Central Bank	14,191.4	18,010.2	16,486.6	16.2	-8.5
2.2 Banking Institutions	9,630.6	10,349.2	7,028.8	-27.0	-32.1
3.0 Net Domestic Assets (1 - 2)	22,469.7	26,597.1	30,811.5	37.1	15.8
3.1 Domestic Credit	39,948.1	48,833.8	56,186.2	40.6	15.1
3.1.1 Government (net)	17,205.4	17,308.6	22,112.2	28.5	27.8
3.1.2 Pvt. Sector & Other Pvt. Sector	22,742.7	31,525.2	34,074.0	49.8	8.1
3.2 Other assets Net (3 - 3.1)	17,478.4	22,236.8	25,374.7	45.2	14.1
Memorandum Items	76,226.1	85,897.9	83,778.4	9.9	-2.5
1. Overall Liquidity	46,291.7	54,956.4	54,326.9	17.4	-1.1
2. Reserve Money	29,934.3	30,941.5	29,451.6	-1.6	-4.8
Currency outside banks	6,672.4	8,271.7	7,706.2	15.5	-6.8
Banks Reserves	23,261.9	22,669.8	21,745.4	-6.5	-4.1

Source: Central Bank of Liberia, Monrovia, Liberia

^{1/}Excludes managers checks from commercial banks.

^{2/}Includes official and managers checks issued by the Central Bank

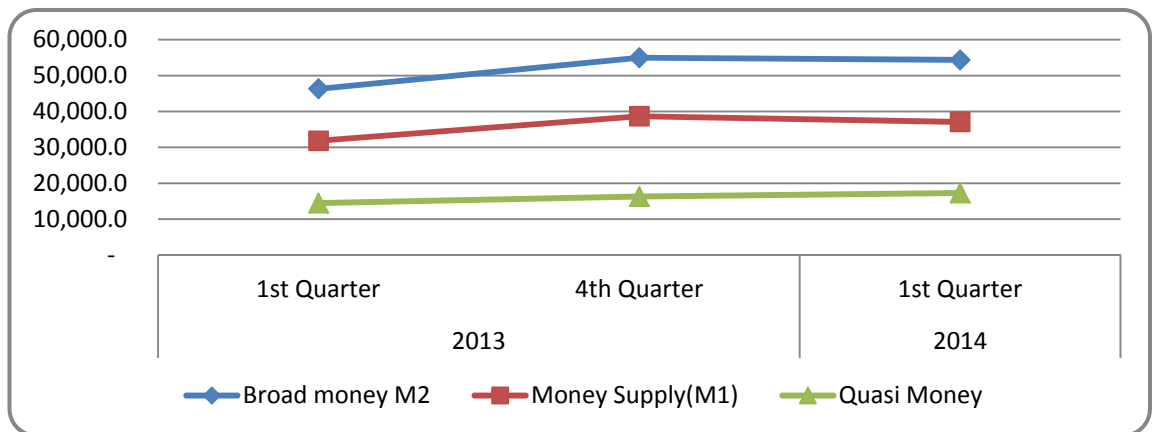
Chart 10: Money Supply and its Sources
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Millions L\$)



3.8 Broad Money (M2)³

Broad Money (M2) which measures the total liquidity in the banking system declined at end of the review quarter by 1.1 percent to L\$54,326.9 million, from L\$54,956.4 million recorded at end-December, 2013. This moderate reduction emanated from net foreign assets (NFA) which fell by 17.1 percent over the previous quarter. Viewed against the corresponding quarter of 2013, broad money rose by 17.4 percent (Table 14 & Chart 11).

Chart 11: Money Supply, M2
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Millions L\$)



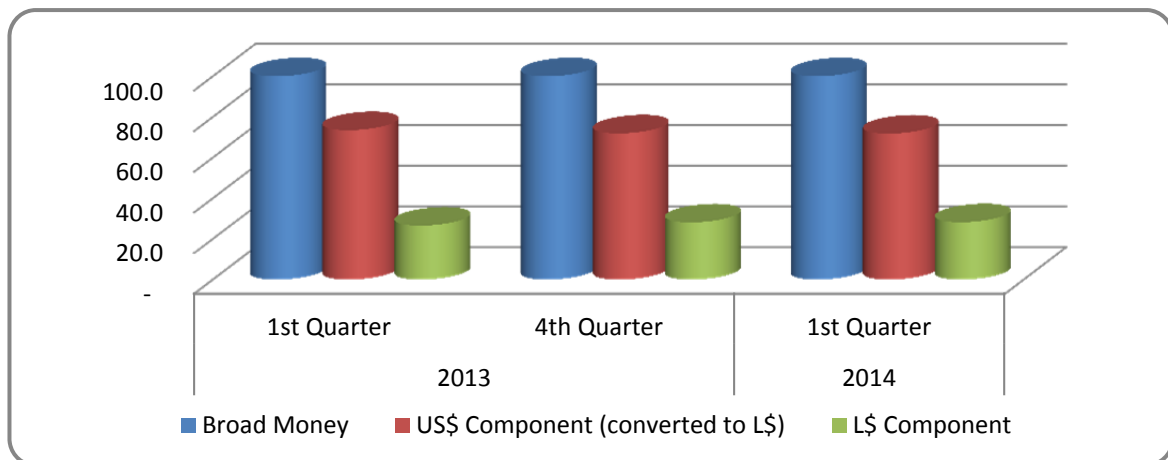
During the review quarter, the US dollar component of broad money accounted for 71.8 percent while the Liberian dollar share was 28.2 percent which clearly indicates the high level of dollarization of the domestic economy (Table 15 & Chart 12).

**Table 15: Broad Money; Share of US and Liberian Dollars
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Millions L\$)**

	2013				2014	
	1 st Quarter	Share	4 th Quarter	Share	1 st Quarter	Share
Broad Money	46,292.1	100.0	54,956.4	100.0	54,326.9	100.0
US\$ Component (converted to L\$)	34,014.3	73.5	39,509.7	71.9	39,008.3	71.8
L\$ Component	12,277.8	26.5	15,446.7	28.1	15,318.6	28.2

Source: Central Bank of Liberia, Monrovia, Liberia

**Chart 12: Broad Money (M2); Share of US and Liberian Dollars
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Millions L\$)**



3.9 Foreign Exchange Auction

The total amount of foreign exchange sold during the quarter amounted to US\$14.45 million, US\$8.75 million more than the US\$5.70 million sold during the fourth quarter of 2013. The increase was largely on the back of rising pressure on the exchange rate during the quarter; however, taken into account the priority the Government has placed on

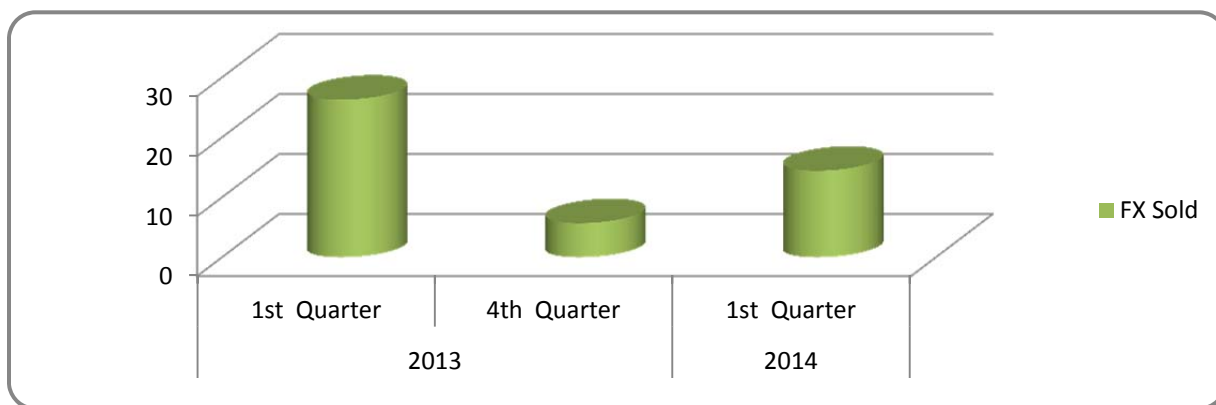
accumulation of reserves in line with agreed targets under its program with the International Monetary Fund (IMF). Despite the quarterly increase, the CBL has been pursuing the government of Liberia’s new policy of external reserves accretion which explains the 45.1 percent decline when compared with US\$26.3 million during the same quarter of 2013 (Table 16 & Chart 13).

**Table 16: CBL’s Foreign Exchange Sale Auction
(1st & 4th Quarters, 2013; 1st Quarters, 2014)
(In Million US\$)**

	2013		2014
	1 st Quarter	4 th Quarter	1 st Quarter
FX Sold	26.3	5.70	14.45

Source: Central Bank of Liberia, Monrovia, Liberia

**Chart 13: CBL’s Foreign Exchange Sale Auction
(1st & 4th Quarters, 2013; 1st Quarters, 2014) (In Million US\$)**



3.10 Money Market Developments

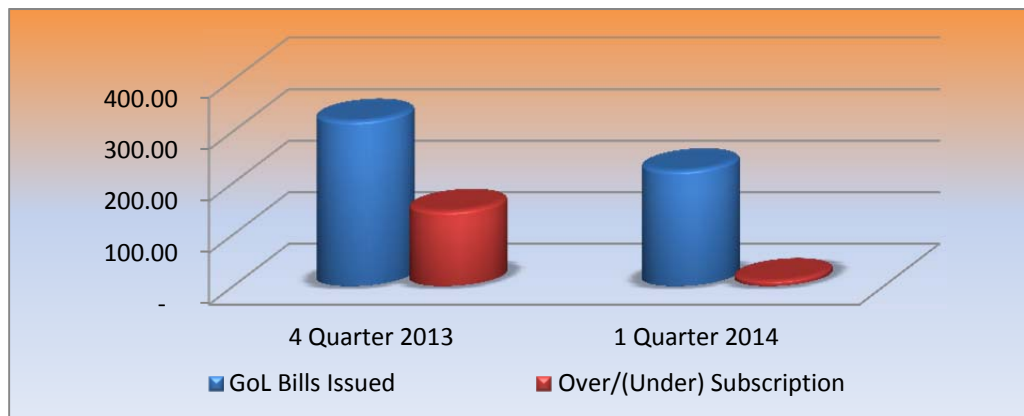
Money market operations continued during the review quarter. On behalf of the government of Liberia, there were three 91-day auctions conducted by the CBL amounting to L\$ 224.3 million at the weighted discount rate of 3.37 percent. The amount of L\$320.5 million (at the discount rate of 1.88 percent), representing the total value of previous quarter’s T-bills was redeemed in the quarter.

**Table17: Government of Liberia Treasury Bill Auction
(1st Quarters, 2014)
(In Millions of Liberian Dollar)**

Date	Amount Issued GoL	Value of bid(s) Received	Over/(Under) Subscription	Cut-Off Interest Rate (%)	Weighted Average Discount Rate (%)
6-Mar-14	83,500,000.00	100,150,000.00	16,650,000.00	5.00	3.90
6-Feb-14	58,300,000.00	58,300,000.00	(22,200,000.00)	4.50	3.71
2-Jan-14	82,500,500.00	98,950,000.00	16,450,000.00	3.10	2.51
	224,300,000.00	257,400,000.00	10,900,000.00	4.20	3.37

Source: Central Bank of Liberia, Monrovia, Liberia

**Chart 14: Government of Liberia Treasury Bill Auction
(Values of Bills issued and Over/Under Subscriptions)
(4th Quarter, 2013 & 1st Quarter, 2014)
(In Millions of L\$)**



Towards the achievement of its monetary policy objectives, the CBL in January conducted two CBL bills auctions both redeemable in 182 and 91 days, respectively. The auction was aimed at mopping up the excess Liberian dollar Liquidity in the banking system. The two CBL bills issued totaled L\$1,605.0 million, at a weighted discount rate of 4.40 percent compared with L\$1,130.0 million at a weighted discount rate of 2.44 percent issued in the preceding quarter.

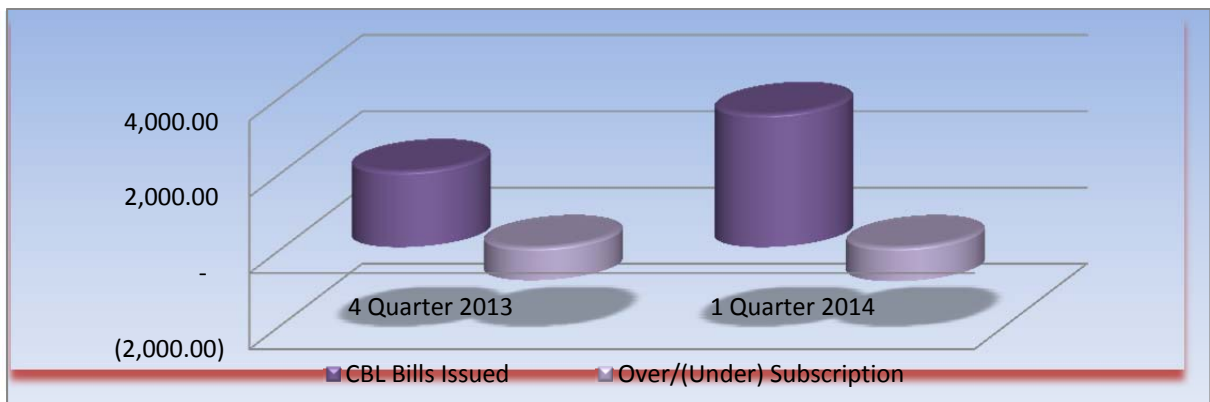
**Table 18: Central Bank of Liberia Bill Auction
(January-March, 2014)**

Date	Amount Issued	Value of bid(S) Received	Cut off Rate (%)	Weighted Average Discount Rate (%)
17-Jan-14	720,000,000.00	720,000,000.00	6.75	5.78
10-Jan-14	885,000,000.00	885,000,000.00	4.00	3.01
Total	1,605,000,000.00	1,605,000,000.00	5.38	4.40

Source: Central Bank of Liberia, Monrovia, Liberia

The level of oversubscription in the T-bill auction for the first quarter of 2014 was L\$10.9 million compared with L\$145.8 million in the preceding quarter. The CBL-Bill was undersubscribed during the quarter by L\$895 million, compared with the undersubscription of L\$870 million in the previous quarter.

**Chart 15: Central Bank of Liberia Bill Auction
(Values of Bills Issued and Oversubscriptions)
(4th Quarter, 2013 & 1st Quarter, 2014)
(In Millions of L\$)**



IV. FISCAL DEVELOPMENTS

Fiscal operations for the Government of Liberia (GoL) during the first quarter, 2014, resulted in an overall balance (deficit) of L\$1,012.0 million (0.6 % of GDP), compared to the preceding and corresponding quarters in 2013 that recorded a surplus of L\$680.8 million (0.5 % of GDP) and deficit of L\$1,302.2 million (0.9 % GDP), respectively.

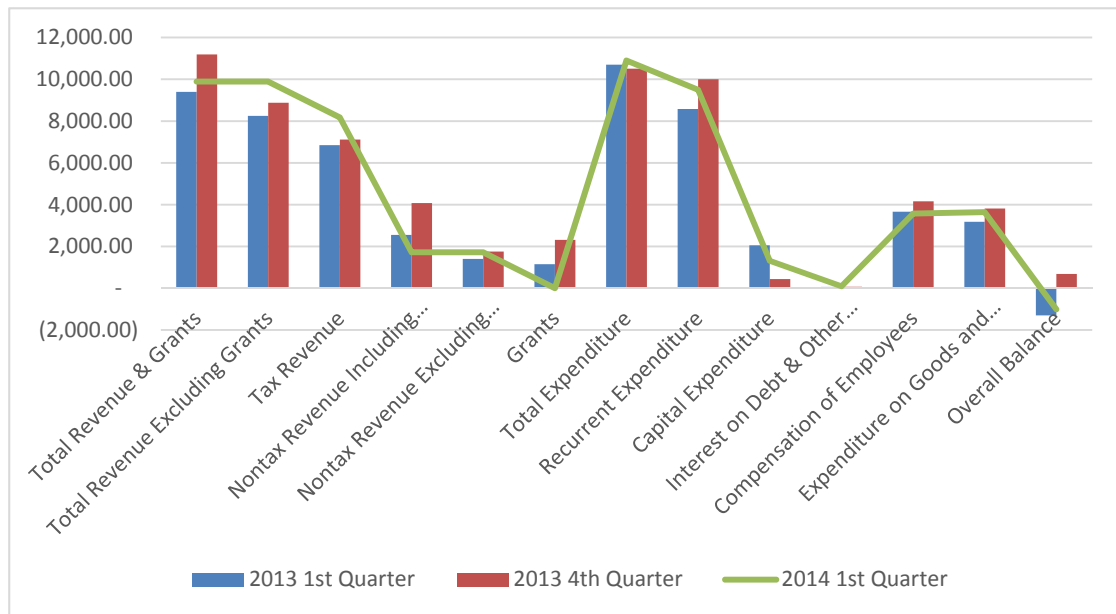
Actual revenue and grants receipts for the quarter fell below its budgetary projection or target - as actual revenue and grants realized decline by L\$126.8 million against its budgetary forecast of L\$10,012.8 million. The country's public debt stock rose to US\$660.6 million (31.2 % of nominal GDP) at end-March, 2014, up from US\$630.6 million (32.4% of nominal GDP) and US\$565.5 million (29.1 % of nominal GDP) recorded at the end of the preceding and corresponding quarters in 2014, respectively.

Table 19: Government of Liberia's Fiscal Indicators**(1st & 4th Quarters, 2013; 1st Quarter, 2014)****(In Millions, L\$*)**

Indicators	2013		2014
	1 st Quarter	4 th Quarter	1 st Quarter
Total Revenue & Grants	9,400.18	11,192.88	9,885.92
<i>% of GDP</i>	6.19	7.37	5.79
Total Revenue Excluding Grants	8,246.76	8,875.92	9,885.92
<i>% of GDP</i>	5.43	5.84	5.79
Tax Revenue	6,845.17	7,118.78	8,169.89
<i>% of GDP</i>	4.51	4.69	4.79
Nontax Revenue Including Grants	2,555.01	4,074.10	1,716.03
<i>% of GDP</i>	1.68	2.68	1.01
Nontax Revenue Excluding Grants	1,401.59	1,757.14	1,716.03
<i>% of GDP</i>	0.92	1.16	1.01
Grants	1,153.42	2,316.96	-
<i>% of GDP</i>	0.76	1.52	-
Total Expenditure	10,702.32	10,512.08	10,897.95
<i>% of GDP</i>	7.04	6.92	6.38
Recurrent Expenditure	8,582.40	10,002.92	9,495.26
<i>% of GDP</i>	5.65	6.58	5.56
Capital Expenditure	2,056.22	438.51	1,311.34
<i>% of GDP</i>	1.35	0.29	0.77
Interest on Debt & Other Charges	63.70	70.65	91.36
<i>% of GDP</i>	0.04	0.05	0.05
Compensation of Employees	3,665.36	4,161.34	3,568.33
<i>% of GDP</i>	2.41	2.74	2.09
Expenditure on Goods and Services	3,182.60	3,811.72	3,642.53
<i>% of GDP</i>	2.09	2.51	2.13
Overall Balance	(1,302.15)	680.80	(1,012.04)
<i>% of GDP</i>	(0.86)	0.45	(0.59)
Stock of Public Debt (In Millions, US\$)**	565.46	630.55	657.60
<i>% of GDP</i>	28.81	32.13	31.40
Stock of External Debt (In Millions, US\$)**	290.45	337.84	365.67
<i>% of GDP</i>	14.80	17.21	17.46
Stock of Domestic Debt (In Millions, US\$)**	275.01	292.71	291.93
<i>% of GDP</i>	14.01	14.91	13.94
Nominal GDP (In Millions, US\$)	1,945.8	1,945.8	2,119.1

Except otherwise mentioned**Estimates by CBL*

**Chart 16: Government of Liberia's Fiscal Indicators
(First Quarter, 2014)
(In Percentages of GDP)**



4.1 Government Revenue and Grants

Total revenue and grants for the period under review amounted to L\$9,885.9 million (5.8 percent of nominal GDP). Matched against the levels recorded during the fourth and corresponding quarters in 2013, revenue fell by L\$1,307.0 million (11.7 percent), and grew by L\$485.7 million (5.2 percent), respectively. The shortfall in total revenue and grants for the review quarter was mainly attributed to declines in tax and non-tax revenue receipts from sale taxes on goods & services, charges & other administrative fees, and grants. Matched against budgetary projections, actual revenue and grants shrank by L\$126.8 million (1.3 percent). The shortfalls in actual revenue and grants over the budgetary forecasts was largely on account of underperformances in both tax revenue and non-tax revenue, as taxes on international trade, income & profits, other tax revenue, and grants fell below their budgetary targets.

Receipts from actual tax revenue realized during the quarter amounted to L\$8,169.9 million (4.8 percent of nominal GDP), and constituted 82.6 percent of total revenue and grants. Matched against the previous and corresponding periods in 2013, it grew by 14.8 percent and 19.4 percent, respectively. The rise in tax revenue during the period was attributed to good performance of international trade taxes, income & profits' taxes, property & real estate taxes, and other tax revenue. Non-tax revenue (including grants) totalled L\$1,716.03 million (1.0 % of nominal GDP), representing 17.4 percent of total revenue and grants' receipts for the review quarter. It also fell below its budgetary target by 0.3 percent. The decreased in non-tax revenue over the previous and corresponding quarters was on account of fall in revenue intakes from charges & other administrative fees and unrealized grants. Compared with its budgetary projection, non-tax revenue also fell below its budgetary target by L\$5.4 million.

4.1.1 International Trade Taxes

International trade taxes for the quarter under review amounted to L\$3,054.7 million, L\$90.4 million (2.9 percent) less than its budgetary target. A preceding and corresponding quarters (in 2013) comparison show that taxes on international trade rose by L\$120.5 million and L\$540.1 million, respectively. Both taxes on export and import duties during the review period also fell short of their targets by L\$7.7 million (52.4 percent), and L\$82.8 million (2.6 percent), respectively. Taxes on international trade constituted 37.4 percent and 30.9 percent of tax revenue and total revenue & grants, respectively.

4.1.2 Taxes on Income and Profits

Taxes on income and profits totalled to L\$2,812.4 million, indicating a contraction of L\$49.1 million (1.5 percent) when matched against its budgetary forecast for the period. Compared with the previous and corresponding quarters in 2013, taxes on income and profits grew by L\$363.7 million (12.9 percent) and L\$542.9 million (20.6 percent), respectively. It also constituted 38.9 percent and 32.1 percent of tax revenue and total revenue and grants for the period, respectively.

Individual taxes on income and profits amounted to L\$2,959.2 million, L\$56.5 million more than its budgetary target. Revenue from corporate entities shrank to L\$192.9 million, from a budgetary projection of L\$291.4 million.

4.1.3 Sale Taxes on Goods and Services

Taxes on goods and services summed to L\$1,250.5 million, L\$21.1 million (1.7 percent) above its budgetary target for the quarter under review. A year-on-year comparison shows that sale taxes on goods and services increased by L\$131.9 million, but reduced when compared to the previous quarter by L\$74.4 million. Proportionally, taxes on goods and services constituted 15.3 percent and 12.7 percent of tax revenue and total revenue & grants, respectively.

Excise taxes and the 'other taxes category' of taxes on goods and services exceeded their budgetary projections by L\$45.2 million and L\$86.4 million, respectively. Notwithstanding, maritime revenue and goods & service taxes experienced shortfalls against their budgetary projections during the period by L\$48.0 million and L\$62.6 million, respectively.

4.1.4 Property and Real Estate Taxes

Property and real estate taxes at end-March, 2014 amounted to L\$127.4 million, L\$33.9 million (36.2 percent) over its budgetary target of L\$93.6 million. Compared with the amount recorded in the preceding and corresponding quarters in 2013, it rose by L\$81.7 million and L\$56.0 million (78.4 percent), respectively. Proportionally, property and real estate taxes constituted 1.6 percent and 1.3 percent of tax revenue and total revenue & grants, respectively.

4.1.5 Other Tax Revenue

Other tax revenue (tax revenue not elsewhere mentioned) amounted to L\$561.2 million, indicating L\$36.8 million shortfall against its expected target of L\$598.1 million. Compared with the levels recorded in the previous and corresponding quarters in 2013, it grew by L\$559.6 million and L\$65.7 million, respectively.

4.1.6 Charges and Other Administrative Fees

Non-tax revenue from charges and other administrative fees component amounted to L\$1,716.0 million, L\$210.8 million (14.0 percent) lower than the amount projected for the quarter in the 2013/2014 National Budget. Linked with the levels recorded in the previous quarter, it fell by L\$41.1 million (2.3 percent), but rose by L\$362.2 million (26.8 percent) in a corresponding quarter (in 2013) comparison. In shared value to the review period, it represented 100.0 percent and 17.4 percent of non-tax revenue including grants and total revenue and grants, respectively.

4.1.7 Grants

There was no revenue from grants during the period under review.

Table20: Government of Liberia's Total Revenue by Sources
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Millions, L\$)

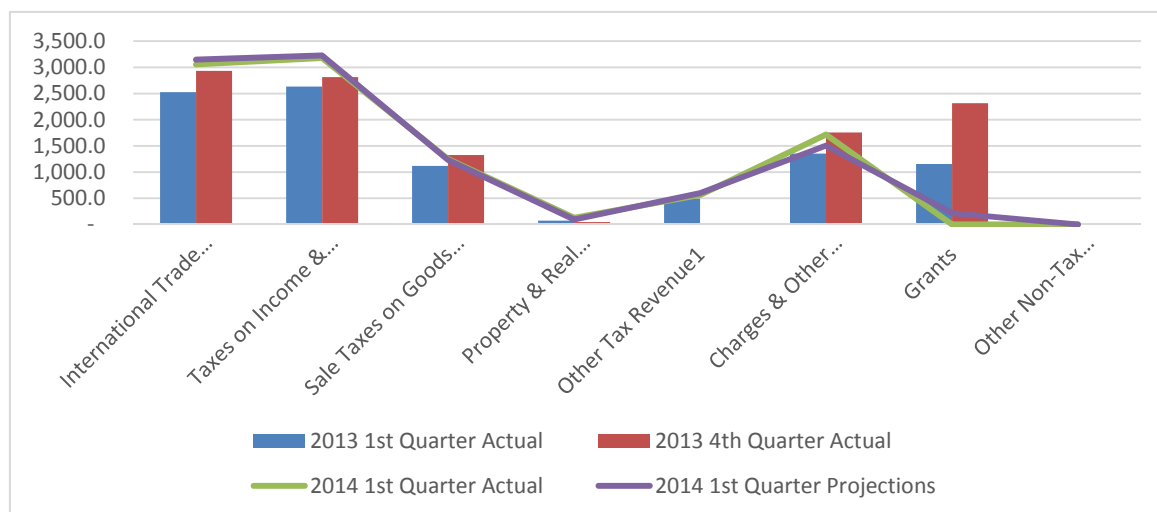
Revenue Sources	2013		2014	
	1 st Quarter	4 th Quarter	1 st Quarter	1 st Quarter
	Actual			Projections
A. Tax Revenue	6,845.2	7,118.8	8,169.9	8,291.3
i. International Trade Taxes	2,526.4	2,934.2	3,054.7	3,145.1
<i>Taxes & Duties on Imports</i>	2,514.6	2,925.6	3,047.6	3,130.4
<i>Taxes on Exports</i>	11.8	8.6	7.0	14.7
ii. Taxes on Income & Profits	2,633.2	2,812.4	3,176.1	3,225.2
<i>Individual Taxes on income & profits</i>	2,418.8	2,562.4	2,959.2	2,902.7
<i>Taxes Payable by Corporate Entities</i>	197.7	226.6	192.9	291.4
<i>Others</i>	16.7	23.3	23.9	31.1
iii. Sale Taxes on Goods & Services	1,118.6	1,324.9	1,250.5	1,229.4
<i>Goods & Service Tax</i>	529.2	495.9	584.6	647.2
<i>Excise Taxes</i>	52.1	51.9	100.9	55.7
<i>Maritime Revenue</i>	155.4	666.4	200.9	248.8
<i>Others</i>	381.9	110.6	364.1	277.7
iv. Property & Real Estate Taxes	71.4	45.7	127.4	93.6
v. Other Tax Revenue ¹	495.5	1.6	561.2	598.1
B. Non-Tax Revenue	2,555.0	4,074.1	1,716.0	1,721.4
i. Charges & Other Administrative Fees	1,353.8	1,757.1	1,716.0	1,505.2
ii. Grants	1,153.4	2,317.0	-	216.2
iii. Others	47.7	-	-	-
<i>Contingent Revenue</i>	47.7	-	-	-
<i>Borrowing</i>	-	-	-	-
<i>Carry Forward</i>	-	-	-	-
Grand Total (A + B)	9,400.2	11,192.9	9,885.9	10,012.8

Source: Ministry of Finance, Republic of Liberia

1Tax Revenue not elsewhere mentioned

2In CBL Quarterly Reporting System, Fiscal Year (FY) - 3rd Quarter, is Annual Year (AY) - 1st Quarter

Chart17: Government of Liberia's Total Revenue by Sources
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Millions, L\$)



4.2 Government Expenditure

At end-March, 2014, the Government of Liberia’s total expenditure for the review quarter amounted to L\$10,898.0 million (6.4 percent of nominal GDP). Matched against the level recorded during the previous and corresponding quarters in 2013, it rose by L\$385.9 million (3.7 percent) and L\$195.6 million (1.8 percent), respectively.

Recurrent expenditure for the quarter totalled L\$9,495.3 million (5.6 percent of nominal GDP), and constituted 87.1 percent of total expenditure recorded. Compared to the previous quarter, recurrent expenditure fell by L\$507.7 million (5.1 percent), but rose by L\$912.9 million (10.6 percent) when matched against the same period in 2013. Expenditure on capital goods (projects) amounted to L\$1,311.3 million (0.8 percent of nominal GDP), and represented 12.0 percent of total expenditure for the quarter under review. When linked to the previous quarter, capital expenditure grew by L\$872.8 million, but decreased by L\$744.9 million (36.2 percent) when compared to the corresponding quarter in 2013. Expenditure on interest on debt and other charges amounted to L\$91.4 million (0.1 percent of nominal GDP), and constituted 0.8 percent of expenditure for the review period. The rise in total expenditure during the period was largely attributed to increase in capital goods spending such as the acquisition of fixed assets.

4.2.1 Recurrent Expenditure

Compensation of Employees

Spending on employees' compensation (salaries & allowances, and social contributions) during the quarter amounted to L\$3,568.3 million (2.1 percent of nominal GDP). Expenditure on employees' compensation constituted 37.6 percent and 32.7 percent of recurrent and total expenditure for the period. Matched against the previous and corresponding quarters in 2013, it fell short by L\$593.0 million (14.3 percent) and L\$97.0 million (2.6 percent), respectively.

Expenditure on Goods and Services

Expenditure on goods and services in the quarter amounted to L\$3,642.5 million (2.1 percent of nominal GDP), reflecting a decline of L\$169.2 million (4.4 percent) compared with the preceding quarter. However, expenditure in the quarter rose by L\$459.9 million (14.5 percent) when viewed against its corresponding quarter in 2013. It also constituted 38.4 percent and 33.4 percent of recurrent and total expenditure for the quarter, respectively.

Subsidies

Like in the preceding and corresponding quarters, there were no expenditures on subsidies (to public corporations and private enterprises).

Grants

Expenditure on grants (to foreign governments, international organizations, other general government units, transfers to non-governmental organizations, and transfers to private entities) for the quarter amounted to L\$2,262.5 million. Grants constituted 23.8 percent of recurrent spending and 20.8 percent of total expenditure for the quarter. It rose by L\$254.0 million (12.6 percent) and L\$558.3 million (32.8 percent) against the fourth and first quarters in 2013 respectively.

Social Benefits

Expenditure on social benefits amounted to L\$21.9 million, and constituted 0.2 percent and 0.2 percent of recurrent and total expenditure for the quarter, respectively. Compared with the 4th quarter of 2013, it grew by L\$0.6 million (2.6 percent), but fell by L\$8.3 million (27.6 percent) during the same period in 2013.

4.2.2 Capital Expenditure

Fixed Capital Depreciation

Like in the preceding and corresponding quarters, there was no expenditure on interest payments on domestic and foreign debts.

Acquisition of Fixed Assets

Expenditure on fixed assets acquisition for the reporting quarter amounted to L\$1,290.5 million. It constituted 98.4 percent and 11.8 percent of capital and total expenditure for the period. Spending on fixed assets acquisition grew by L\$852.0 million compared with the previous quarter, but shrank by L\$749.3 million (36.7 percent) against the corresponding quarter of 2013.

4.2.3 Interest on Debt and Other Charges

To Residents (Other Than General Government)

Like in the preceding and corresponding quarters, there was no expenditure on interest payments on domestic and foreign debts.

To Non-Residents (Loan Interest and Commitment Charges)

Interest on debt and other charges' expenditure to non-residents totalled L\$91.4 million during the quarter, increasing by L\$20.7 million (29.3 percent) and L\$27.7 million (43.4 percent) compared with the previous and corresponding quarters in 2013, respectively. It also constituted 100.0 percent and 0.8 percent of interest on debt & other charges and total expenditure for the quarter, respectively.

Table 21: Government of Liberia's Total Expenditure
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Million, L\$)

Expenditure by Codes	2013		2014
	1st Quarter	4th Quarter	1st Quarter
Recurrent Expenditure	8,582.4	10,002.9	9,495.3
Salaries & Allowances	3,665.4	4,161.3	3,568.3
Expenditure on Goods & Services	3,182.6	3,811.7	3,642.5
Subsidies	-	-	-
Grants	1,704.2	2,008.5	2,262.5
Social Benefits	30.2	21.3	21.9
Others	-	-	-
Capital Expenditure	2,056.2	438.5	1,311.3
Depreciation	-	-	1.6
Acquisition of Fixed Assets	2,039.8	438.5	1,290.5
Others	16.4	-	19.2
Interest on Debt and Other Charges	63.7	70.6	91.4
On Domestic & Foreign Debts	-	-	-
To Non-Residents	63.7	70.6	91.4
Others	-	-	-
Other Expenditures¹	-	-	-
Total Expenditure	10,702.3	10,512.1	10,898.0

¹ Expenditures not elsewhere mentioned

4.3 Stock of Public Debt

Liberia's total public debt stock at end-March, 2014, rose to US\$660.6 million (31.2 % of nominal GDP), up from US\$630.6 million during the same period in 2013. Compared with its stock during the previous and corresponding quarters in 2013, it grew by US\$30.0 million (4.8 percent) and US\$95.1 million (16.8 percent), respectively. External and domestic debt stocks at end-March, 2014, stood at US\$365.7 million (17.3 % of GDP) and US\$294.9 million (13.9 % of nominal GDP), constituting 55.4 percent and 44.6 percent of the country's total public debt stock at the end of the quarter. The rise in the country's external debt stock was attributed to new disbursements on the EIB loan,

IDA, and IMF credits from multilateral organizations as well as domestic sources from financial institutions.

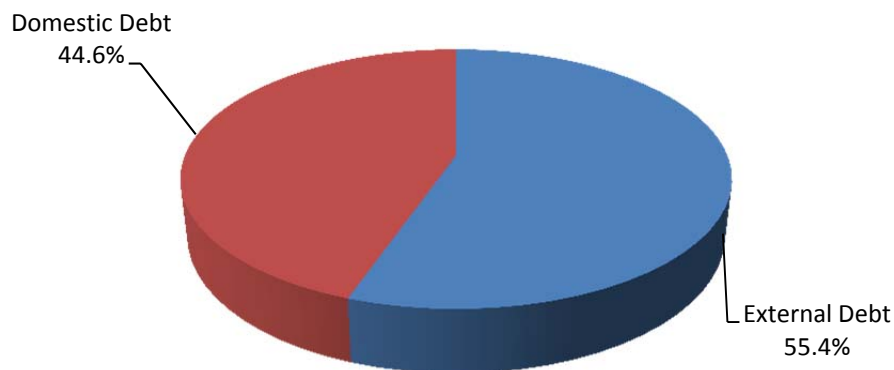
Table 22: Liberia's Overall Public Debt Composition
 (As At March 30, 2014)
 (In Millions, US\$)

Debt Composition	2013		2014*
	1 st Quarter	4 th Quarter	1 st Quarter
Total External Debt	290.5	337.8	365.7
Total Domestic Debt	275.0	292.7	294.9
Total Public Debt	565.5	630.6	660.6

Source: Ministry of Finance, Republic of Liberia

**Preliminary by the CBL*

Chart 19: Liberia's Overall Public Debt Composition
 (As At March 30, 2014)
 (In Millions, US\$)



4.3.1 External Debt

External debt stock at the end of the review quarter rose by US\$27.9 million and US\$75.2 million to US\$365.7 million (17.5 % of nominal GDP) at end-March, 2014, compared with the stock of US\$337.8 million recorded at end-December, 2013, and the corresponding period accumulation of US\$290.5 million in 2013, respectively. Multilateral debt stood at US\$243.7 million (11.6 % of nominal GDP) at end-March, 2014, up from US\$215.5 million and US\$157.2 million stockpiles in the previous and corresponding quarters in 2013, respectively. On the other hand, the stock of bilateral debt at end-March, 2014, stood at US\$122.0 million (5.8 % of nominal GDP), decreasing by US\$0.4 million when compared to the amount recorded in the previous quarter. An annual comparison shows that bilateral debt stock further decline by US\$11.2 million when matched against the level recorded at end-March, 2013. The growth in the country's external debt stock was attributed to increase in credit (disbursements on the EIB loan as well as IDA and IMF credits) from multilateral organizations.

4.3.2 Domestic Debt

The stock of domestic debt at end-March, 2014, rose to US\$294.9 million (14.1 percent of nominal GDP), growing by 0.8 percent compared to the stockpile of US\$292.7 million recorded at end-December, 2013. The growth in the country's domestic debt stock was primarily attributed to increase in credit from domestic sources (financial institutions). Matched against its level at end-March, 2013, domestic debt stock increased by US\$19.9 million. Domestic debt stock to financial institutions also increased by US\$2.2 million (0.8 percent), up from US\$285.8 million at end-December, 2013, to US\$288.0 million (13.8 percent of nominal GDP) at the end of the reporting quarter. Compared to the corresponding quarter in 2013, domestic debt to financial institutions rose by US\$20.8 million (7.8 percent) at end-March, 2014, and constituted 97.7 percent and 43.6 percent of domestic debt and public debt stocks, respectively. Domestic debt to suppliers' credit and salary & allowances at end-March, 2014, stood at US\$1.9 million and US\$5.0 million, respectively.

Table 23: Liberia's Overall Public Debt Position

(As At March 30, 2014)

(In Millions, US\$)

Creditors	2013		2014*
	1 st Quarter	4 th Quarter	1 st Quarter
Multilateral	157.2	215.5	243.7
Bilateral	133.2	122.4	122.0
Commercial Creditors	-	-	-
Total External Debt	290.5	337.8	365.7
Suppliers' Credit (Valid Claims)	1.9	1.9	1.9
Salary & Allowances	3.7	5.0	5.0
Financial Institutions	267.2	285.8	288.0
Pre- NTGL Salary Arrears	1.3	-	-
Others	0.9	-	-
Total Domestic Debt	275.0	292.7	294.9
Total Public Debt	565.5	630.6	660.6

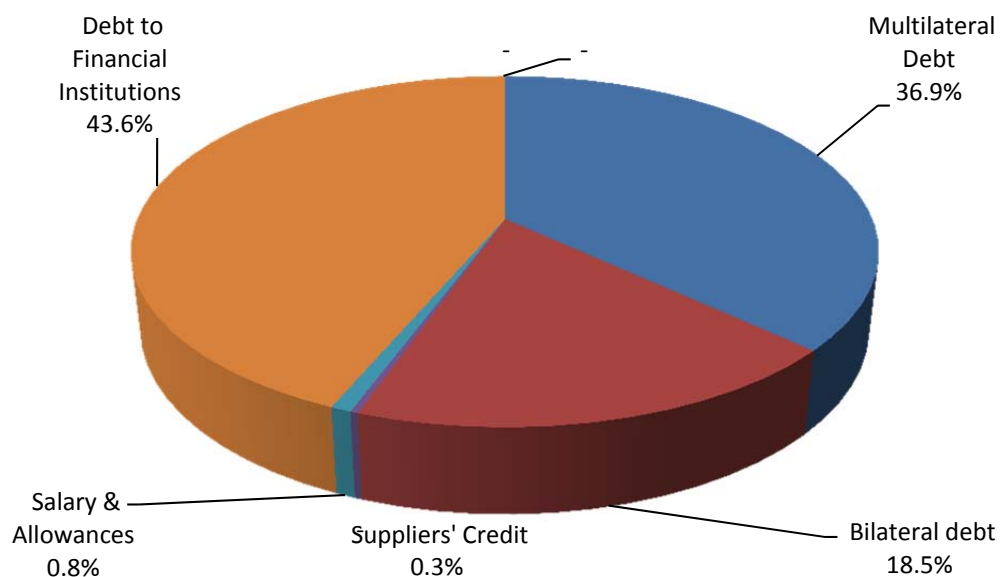
Source: Ministry of Finance, Republic of Liberia

*Preliminary by the CBL

Chart 20: Liberia's Overall Public Debt Position

(In Percentages of Total Public Debt)

(As At March 30, 2014)



V. EXTERNAL SECTOR DEVELOPMENTS

5.1 Review of Foreign Trade

At end-March, 2014, the provisional overall balance of payments (BoP) deficit stood at US\$148.7 million, from US\$178.4 million at end-December, 2013, narrowing by 16.6 percent. On an annualized basis, the overall balance of payments deficit improved by 41.0 percent from US\$252.1 million recorded at end-March, 2013 (Table 24).

From provisional estimates, the quarterly improvement in the overall balance of the balance of payments was largely on account of the 24.3 percent and 12.6 percent improvements in the current account and capital & financial accounts respectively at end-March, 2014 compared with their respective levels at end-December, 2013. The 41.0 percent annualized improvement in the overall BoP was largely driven by similar trends in the current account and capital & financial accounts respectively. Compared with the corresponding quarter, the current account balance rose by 26.5 percent while the capital & financial accounts balance rose by 21.3 percent.

5.2 The Current Account

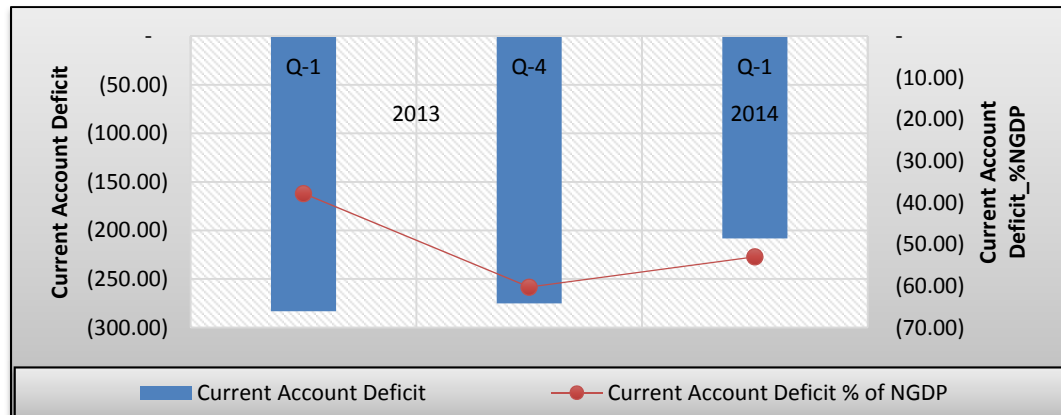
The current account deficit narrowed by 13.2 percent to US\$208.2 million at end-March, 2014 from US\$239.8 million at end-December, 2013 largely on account of a 17.1 percent rise in current transfers and 26.6 percent improvement in the income sub-account deficit, outweighing the 26.4 percent deterioration in net service payments and the 0.7 percent deterioration in the trade deficit. The quarterly improvement in the income sub-account was largely reflective of the low profitability of direct investment entities operating in the domestic economy as a result of high operating costs resulting from structural deficits, serving as disincentive for reinvestment of earnings. The 17.1 percent rise in current transfers was mainly indicative of increased grants, outweighing the ongoing slowdown in UNMIL related transfers and a sharp decline in net inward workers' remittances. The slight deterioration in the trade balance was mainly occasioned by a 4.2 percent decline merchandise exports that outpaced the 2.6 percent fall in merchandise imports (f.o.b). Despite the decline in government service expenditures as a result of the ongoing "budget

shortfall”, net service payments rose during the quarter, largely indicative of expansion of economic activities in the domestic private sector (Table 24).

When compared with the corresponding quarter in 2013, the current account deficit narrowed by 26.5 percent to US\$208.2 million at end-March, 2014, from US\$275.1 million at end-December, 2013, largely driven by 51.1 percent improvement in the trade deficit and a 76.7 percent rise in current transfers.

As a percentage of projected 2014 nominal GDP, Liberia’s current account deficit averaged 9.8 percent for the quarter ended-March, 2014 and 12.1 percent and 14.6 percent for the quarters ended December and March, 2013 respectively (Chart 21).

**Chart 21: Trends of Current Account Deficit as % of GDP*
1st& 4th Quarters, 2013; 1st Quarter, 2014**



**2012 & 2013 estimated and projected nominal GDPs quarterized using quadratic-match sum function in E-views.*

5.3.1 Merchandise Trade

For the quarter ended March, 2014, total merchandise trade increased by 6.3 percent to US\$382.1 million, from US\$359.4 million at end- December, 2013, largely on account of a 4.2 percent and a 14.6 percent rise in merchandise export receipts and import payments, respectively. On annualized basis, total trade declined by 7.1 percent, largely indicative of a 19.3 percent decline in import payments that outweighed the 20.2 percent rise in export receipts. Merchandise export receipts accounted for 39.9 percent and 30.8 percent of total trade at end-March, 2014 and at end-March, 2013, respectively.

Table 24: Liberia's Quarterly Balance of Payments⁴
(In Million US Dollars)

Year	2013		2014	Q-o-Q Change		Y-o-Y Change	
	Q-1*	Q-4*	Q-1**				
CURRENT ACCOUNT				Absolute	% Change	Absolute	% Change
Current Account Balance	(283.3)	(239.6)	(208.2)	31.5	(13.1)	75.1	(26.5)
Current Account Balance, excluding grants	(460.0)	(449.8)	(482.9)	(33.11)	7.4	(23.0)	5.0
Trade Balance	(157.5)	(41.1)	(77.0)	(36.0)	87.6	80.5	(51.1)
Merchandise Exports (FOB)	126.9	159.1	152.5	(6.61)	(4.2)	25.7	20.2
<i>Iron ore</i>	69.5	93.88	100.6	6.72	7.2	31.1	44.8
Rubber	27.7	40.33	30.2	(10.15)	(25.2)	2.5	9.1
Non-Iron Ore & Rubber Exports	29.7	24.94	21.8	(3.18)	(12.8)	(8.0)	(26.8)
Merchandise Imports (FOB)	(284.4)	(200.2)	(229.6)	(29.36)	14.7	54.8	(19.3)
Oil (Petroleum)	61.1	53.60	65.8	12.19	22.7	4.7	7.6
Rice	12.0	14.00	10.3	(3.72)	(26.6)	(1.8)	(14.6)
Machinery & Transport Equipmen	87.5	43.80	50.0	6.16	14.1	(37.5)	(42.9)
Others	123.7	88.80	103.5	14.73	16.6	(20.2)	(16.3)
Services (Net)	(152.6)	(179.5)	(226.8)	(47.33)	26.4	(74.3)	48.7
Receipts	76.4	89.88	110.3	20.42	22.7	33.9	44.4
Payments	(229.0)	(269.39)	(337.1)	(67.74)	25.1	(108.2)	47.2
Income (Net)	(139.5)	(270.01)	(198.12)	71.9	(26.62)	(58.6)	42.02
Investment income (net)	(139.5)	(270.0)	(198.1)	71.88	(26.6)	(58.6)	42.0
Other Income	-	-	-	-	-	-	-
Current transfers (Net)	166.3	250.92	293.79	42.87	17.1	127.5	76.7
Public transfers (net)	176.6	210.17	274.8	64.58	30.7	98.1	55.6
Grants (net)	176.6	210.17	274.8	64.58	30.7	98.1	55.6
Private transfers (net)	(10.4)	40.74	19.0	(21.71)	(53.3)	29.4	(283.5)
Workers' Remittances (net)	(10.4)	40.74	19.0	(21.71)	(53.3)	29.4	(283.5)
Capital & Financial Account	289.0	311.1	350.4	39.3	12.6	61.5	21.3
Capital Transfers (Net)	36.5	42.99	151.1	108.12	251.5	114.6	313.8
Financial Account	252.4	311.1	199.3	(111.79)	(35.9)	(53.1)	(21.0)
Direct investment in reporting ec	57.2	71.5	81.6	10.13	14.2	24.4	42.7
Portfolio Investment (Net)	-	-	-	-	-	-	-
Other Investment (Net)	122.4	122.39	110.2	(12.14)	(9.9)	(12.1)	(9.9)
Trade Credit	77.0	(1.25)	11.8	13.04	(1,040.1)	(65.2)	(84.7)
Reserve Assets	(4.1)	(2.94)	(4.4)	(1.43)	48.5	(0.3)	6.1
Erros and Omissions	(257.7)	(214.4)	(290.9)	(76.54)	35.7	(33.2)	12.9
OVERALL BALANCE/1	(252.1)	(142.9)	(148.7)	(5.8)	4.0	103.4	(41.0)
Financing	252.1	142.9	148.7				
Changes in Gross Foreign Reserves (mill	(32.1)	16.30	(23.7)				
Memorandum Items							
Annual Nominal GDP (millions US\$)	1,977.0	1,977.0	2,119.1				
Total Merchandise Imports(CIF)_Exclud	541.7	540.9	593.6				
Current Account balance as % of GDP/2	(37.80)	(60.30)	(53.00)				
Gross External Reserves (millions U	397.3	413.6	389.9				
Gross External Reserves in months of im	1.5	2.5	2.3				
*Revised Estimates							
**Provisional Staff Estimates							

The Overall Balance is the sum of the current, capital and financial accounts less the sum of the exceptional financing items (Reserve Assets, Trade Credit and Grants-receipts)

Foreign direct investments (including reinvestments of earnings) and trade credit are the principal sources of financing for Liberia's improving BOP balance

/1 Total CIF Imports excluding iron-ore related imports (ArcelorMittal & China Union Imports)

/2 Annual Nominal GDP estimates quarterized using Quadratic match sum function in E-views

/3 Total CIF imports excluded Iron-ore related imports

⁴ Provisional balances are measured on IMF Balance of Payments Manual (BPM5) Standards

Table 25: Balance of Trade
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In '000'US\$)

	1 st Quarter, 2013	4 th Quarter, 2013*	1 st Quarter, 2014**
Total Export	126,888.80	159,148.97	152,539.9
Total Imports (F.O.B)⁵	284,388.18	200,246.1	229,555.1
Total Trade	411,276.98	359,395.1	382,095.1
Trade Balance	(157,499.38)	(41,097.13)	(77,015.2)

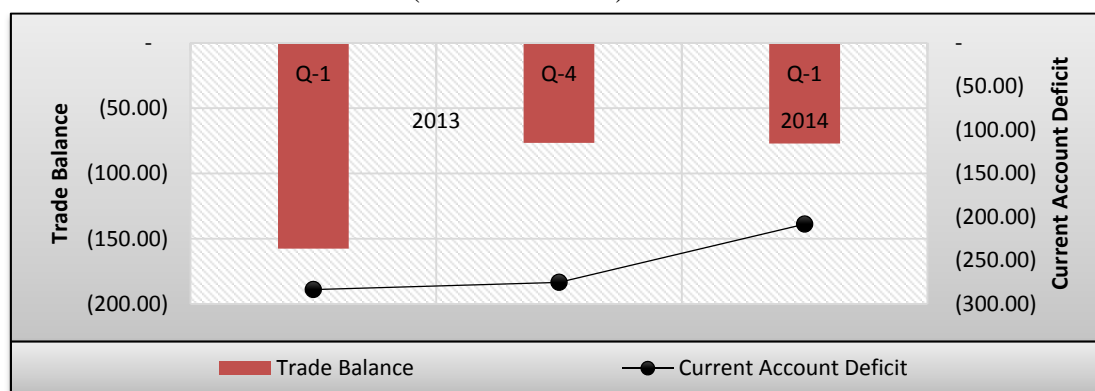
Sources: Ministry of Commerce & Industry, BIVAC, Firestone Liberia, Ministry of Lands, Mines & Energy, Forestry Development Authority

*Revised

**Preliminary

At end-March, 2014, Liberia's trade deficit widened by 86.9 percent to US\$77.0 million from US\$41.2 million at end-December, 2013 as explained by a 4.2 percent decline in merchandise export earnings couple with a 14.6 percent decline in merchandise import payments. However, when compared with the corresponding quarter in 2013, the trade balance narrowed by 51.1 percent on account of a 20.2 percent rise in export earnings against a 19.3 percent decline in import payments. The slight deterioration in the trade deficit was outweighed by improved net current transfer inflows during the quarter, yielding a narrower current account deficit (Table 24 & Chart 22).

Chart 22: Trade Balance & Current Account Deficit
1st & 4th Quarters, 2013; 1st Quarter, 2014
(In Million US\$)



The Overall Balance is the sum of the current, capital and financial accounts less the sum of the exceptional financing items (Reserve Assets, Trade Credit and Grants-receipts) Foreign direct investments (including reinvestments of earnings) and trade credit are the principal sources of financing for Liberia's improving BOP balance

/1 Total CIF Imports excluding iron-ore related imports (ArcelorMittal & China Union Imports)

/2 Annual Nominal GDP estimates quarterized using Quadratic match sum function in E-views

/3 Total CIF imports excluded Iron-ore related imports

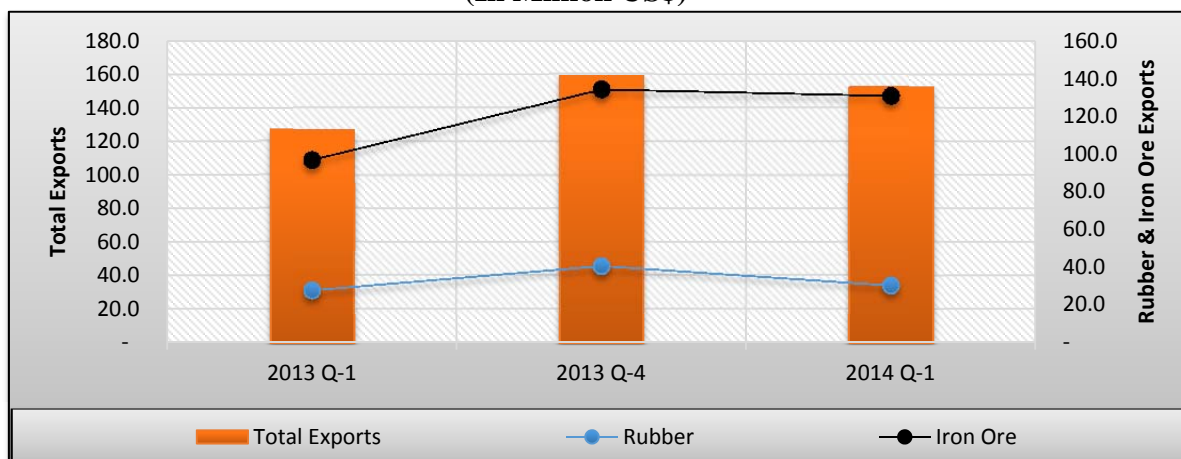
⁵ Imports are measured on FOB basis consistent with applications in the Balance of Payments compilation. For the Quarters ended March, 2013 and December, 2013, FOB was estimated at 89.0 percent of CIF; at end-March, 2014, FOB accounted for 86.8 percent of CIF

5.3.1.1 Merchandise Exports

Merchandise export receipts declined by 25.1 percent to US\$152.5 million at end-March, 2014 from US\$159.1 million at end-December, 2013 largely on account of a 25.1 percent fall in rubber export earnings to US\$30.2 million at end-March, 2014, from US\$40.3 million at end-December, 2013. However, compared with the corresponding quarter in 2013, merchandise export receipts rose by 20.2 percent during the quarter. At end-March, 2014, total iron ore export volume declined by 2.1 percent to 1,440,430 metric tons, from 1,486,820 metric tons at end-December, 2013. Despite these improvements in domestic iron ore production and export, the global price of the commodity has been on a downward trend. Over the three-month ended-March, 2013, iron ore price stood at an average of US\$120.4 per metric ton, from US\$134.9 at end-December, 2013 and US\$148.3 at end-March, 2013.

Rubber export receipts fell by 25.1 percent to US\$30.2 million during the quarter, from US\$40.3 million at end-December, 2013, accounting for 20.0 percent of total export receipts. The decline in rubber export receipts was mainly occasioned by both volume and price factors. Export volume declined to 14,584 metric tons at end-March, 2014 from 17,950 metric tons at the end of the preceding quarter. Rubber price recorded a three-month average of US\$2250.9 per metric ton at end-March, 2014, from US\$2527.5 per metric ton and US\$3155.6 per metric ton at end-December, 2013 and March 2013, respectively. Weaker than expected growth prospects in the United States and struggling recovery in the Euro area may perpetuate the decline in rubber prices in the near term.

**Chart 23: Trends in Iron Ore & Rubber Compositions of Total Export Receipts
1st & 4th Quarters, 2013; 1st Quarter, 2014
(In Million US\$)**



At end-March, 2014, rubber and iron ore exports recorded a combined 85.7 percent of total export receipts from 84.3 percent at end-December, 2013 (Chart 23). A paradigm shift from an enclave sector led-growth model to one that engenders broader export base, particularly towards SME-led non-traditional exports, must be pursued to reverse Liberia’s sole dependence on iron ore and rubber exports.

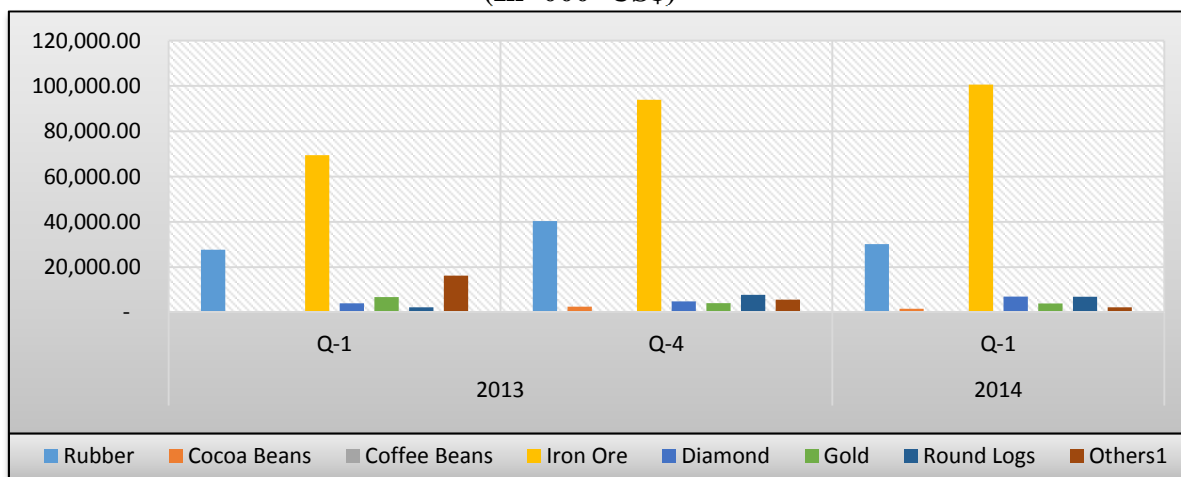
The ongoing reforms in the logging sector coupled with global logs price decline continue to affect the production and export of round logs. At end-March, 2014, round logs export earnings plummeted by 10.0 percent to US\$7.0 million, from US\$7.8 million at end-December, 2013. Round logs recorded a quarterly average price of US\$289.8 per cubic meter at end-March, 2014, from US\$296.3 per cubic meter and US\$322.5 per cubic meter at end-December, 2013 and March 2013 respectively.

Table 26: Commodity Composition of Exports
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In '000' US\$)

Commodity Composition of Exports	Unit	1 st Quarter, 2013		4 th Quarter, 2013*		1 st Quarter, 2014	
		Volume In '000'	Value In '000' US\$	Volume In '000'	Value In '000' US\$	Volume In '000'	Value In '000' US\$
Rubber	Mt.	10.14	27,675.77	17.95	40,333.16	14.58	30,183.21
Cocoa Beans	Mt.	0.47	314.50	3.70	2,539.53	2.15	1,602.25
Coffee Beans	Mt.	0.20	65.00	0.00	0.00	0.00	0.00
Iron Ore	Mt.	1,177.50	69,481.42	1,335.98	93,878.10	1,440.43	100,600.36
Diamond	Carat	11.41	4,063.37	14.07	4,848.63	17.62	6,973.66
Gold	Ounce	5.44	6,790.01	4.18	4,097.46	4.06	3,954.11
Round Logs	m ³	13.84	2,243.26	7.23	7,788.02	34.18	6,956.04
Others ¹			16,255.47		5,664.07		2,270.31
Total			126,888.80		159,148.97	-	152,539.94

Sources: BIVAC, Ministry of Lands, Mines & Energy, Forestry Development Authority, Ministry of Commerce & Industry
**Revised*

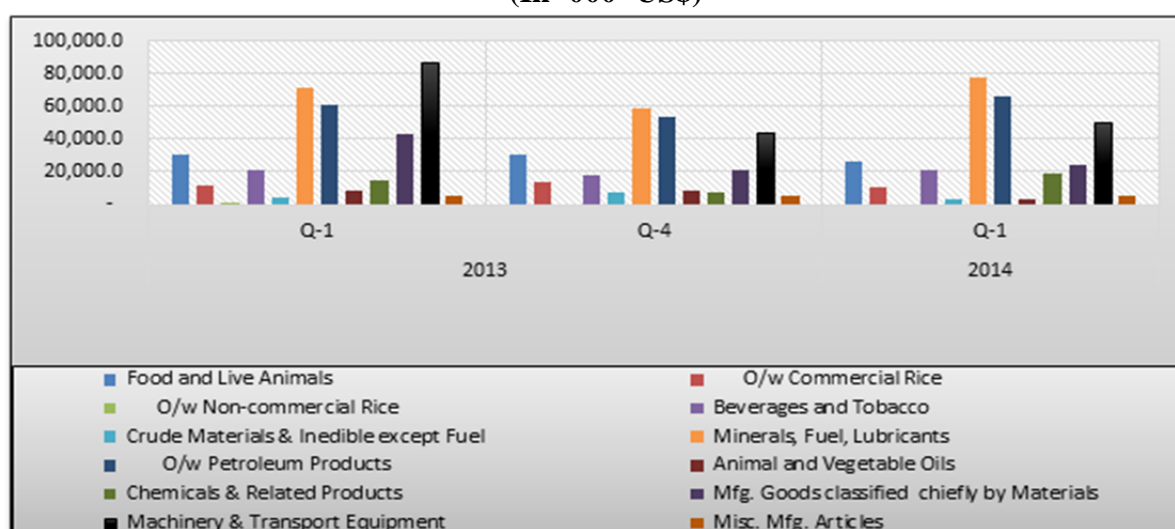
Chart 24: Commodity Composition of Exports
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In '000' US\$)



5.3.1.2 Merchandise Imports

Total import payments (f.o.b) widened by 14.6 percent to US\$229.6 million at end-March, 2014, from US\$ 200.3 million at end-December, 2013, largely driven by a 27.8 percent decline in the import bills on Food & Live Animals, outweighing the rise in petroleum import payments and slight increases in other import categories. On a year-on-year basis, total import payments declined by 19.3 percent during the quarter.

Chart 25: Commodity Composition of Imports
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In '000' US\$)



The quarterly decline in payments on Food & Live Animals was partly due to lower food prices on the global market as a result of improved prospects of increased global food production, particularly in the South America region and also on account of improved domestic production as reflected by declining import volumes.

Rice import bill declined by 26.4 percent to US\$10.3 million at end-March, 2014, from US\$14.0 million at end-December, 2013, on account of price and volume factors. The quarterly average price of rice stood at US\$441.1 per metric ton at end-March, 2014, from US\$449.9 per metric ton and US\$570.7 per metric ton at end-December, 2013 and end-March, 2013 respectively. Similarly, Liberia's rice import volume stood at 25,842.6 metric tons at end-March, 2014, from 30,933.7 metric tons and 27,241.1 metric tons at end-December, 2013 and end-March, 2013, respectively.

Minerals, Fuels & Lubricants recorded a 9.7 percent increase during the reviewed quarter relative to the preceding quarter largely on account of the increased import volume, reflective of the growing size of the domestic economy. Import payments on petroleum products fell by 16.6 percent to US\$65.8 million at end-March, 2014, from US\$53.6 million at end-December, 2013, accounting for 28.7 percent of total merchandise import payments during the quarter. On a year-on-year basis, petroleum import payments rose by 2.5 percent. Machinery & Transport Equipment, Chemicals & Related Products and Beverages & Tobacco also recorded increases in import payments during the quarter.

Table 27: Commodity Composition of Imports
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In '000' US\$)

Commodity	1 st Quarter, 2013		4 th Quarter, 2013		1 st Quarter, 2014	
	Amount	% Share	Amount	% Share	Amount	% Share
Food and Live Animals	29,939.04	10.5	30,064.41	15.0	26,734.98	11.6
O/w Commercial Rice	12,020.31	4.2	14,035.16		10,277.50	4.5
O/w Non-commercial Rice	12.98	0.0	-		-	-
Beverages and Tobacco	20,608.41	7.2	17,952.86	9.0	21,025.68	9.2
Crude Materials & Inedible except Fuel	3,689.50	1.3	7,129.19	3.6	3,215.54	1.4
Minerals, Fuel, Lubricants	70,986.12	25.0	58,995.66	29.5	77,759.03	33.9
O/w Petroleum Products	61,122.09	21.5	53,624.01		65,787.52	28.7
Animal and Vegetable Oils	8,160.25	2.9	7,931.94	3.9	3,153.32	1.4
Chemicals & Related Products	14,782.46	5.2	7,482.62	3.7	18,551.31	8.1
Mfg. Goods classified chiefly by Materials	43,435.33	15.3	21,391.56	10.7	23,617.50	10.3
Machinery & Transport Equipment	87,485.06	30.8	43,843.54	21.9	49,963.53	21.8
Misc. Mfg. Articles	5,302.01	1.9	5,454.31	2.7	5,534.25	2.4
TOTAL	284,388.2		200,246.08		229,555.14	

Sources: BIVAC, Ministry of Commerce & Industry, Customs-Ministry of Finance

5.3.1.3 Direction of Trade

Liberia's trade deficit is widened in the quarter compared with the preceding quarter. The key driver continues to be the country's dependence on imports, especially for food and other consumables. For the quarter ended-March, 2014, Europe, Asia, North America and the ECOWAS sub-region accounted for the giant share of Liberia's total trade.

5.3.1.3.1 Destination of Merchandise Exports

Merchandise export receipts from Europe amounted to US\$57.9 million at end-March, 2014, from US\$51.3 million at end-December, 2013, accounting for 38.0 percent of total export receipts for the quarter, from 32.1 percent of total export receipts during the preceding quarter. The growth in exports towards Europe reflects the ongoing recovery in the Eurozone.

North America's share of Liberia's exports grew to US\$40.0 million at end-March, 2014, from US\$30.3 million at end-December, 2013, accounting for 26.2 percent of total export earnings during the quarter from 18.5 percent for the preceding quarter. Improved growth outturns in the US economy triggered the upward trend.

Asia's share of Liberia's exports for the quarter dwindled to US\$32.1 million, from US\$54.3 million at end-December, 2013, accounting for 21.1 percent of total export receipts, from 34.1 percent for the preceding quarter. Weak external demand from China largely led the decline.

Liberia's intra-regional export trade with its sub-regional counterparts inched up to US\$2.1 million during the quarter under review, from US\$1.9 million at end-December, 2013, reflecting gradual improvement in regional trade as a result of improving trade relations (Table 28).

Table 28: Destination of Exports
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(Export Values In '000' US\$)

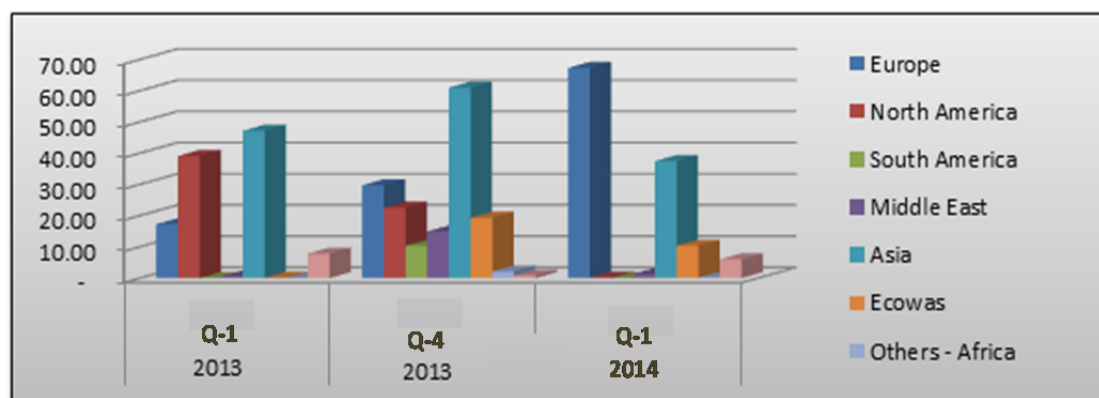
REGIONS	2013				2014	
	1 st Quarter		4 th Quarter*		1 st Quarter	
	Exports	% Share	Exports	% Share	Exports	% Share
EUROPE	45.0	35.5%	51,256.71	32.1	57,980.92	38.0
NORTH AMERICA	23.5	18.5%	30,340.83	19.0	40,013.74	26.2
SOUTH AMERICA	0.0	0.0%	3,562.50	2.2	3,417.09	2.2
MIDDLE EAST	0.5	0.4%	12,085.46	7.6	11,592.17	7.6
ASIA	37.3	29.4%	54,330.02	34.1	32,112.47	21.1
ECOWAS	5.5	4.3%	1,935.40	1.2	2,128.78	1.4
Others – Africa	0.1	0.1%	4,881.87	3.1	4,682.61	3.1
Others	15.0	11.8%	1,144.64	0.7	612.16	0.4
Total	126,888.8	100.0%	159,537.43	100.0	152,539.94	100.0

Sources: BIVAC, Ministry of Lands, Mines & Energy, Forestry Development Authority, Ministry of Commerce & Industry

**Revised*

***Preliminary*

Chart 26: Destination of Exports
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(Export Values In Millions US\$)



5.3.1.3.2 Sources of Imports

Asian-sourced imports fell to US\$47.7 million at end-March, 2014, from US\$68.2 million at end-December, 2013, and accounted for 20.8 percent of total import payments at the end of the quarter, from 34.1 percent recorded for the preceding quarter. Europe's share of Liberia's import payments for the quarter rose to US\$67.7 million at end-March, 2014, accounting for 29.5 percent of total import payments, from 19.6 percent at end-December, 2013.

Liberia's import payments to the ECOWAS sub-region surged to US\$51.9 million at end-March, 2014, representing 22.6 percent of total import payments, from US\$48.6 million recorded at the end of the previous quarter (Table 29).

**Table 29: Sources of Imports
1st & 4th Quarters, 2013; 1st Quarter, 2014
(Import FOB Values In Millions US\$)**

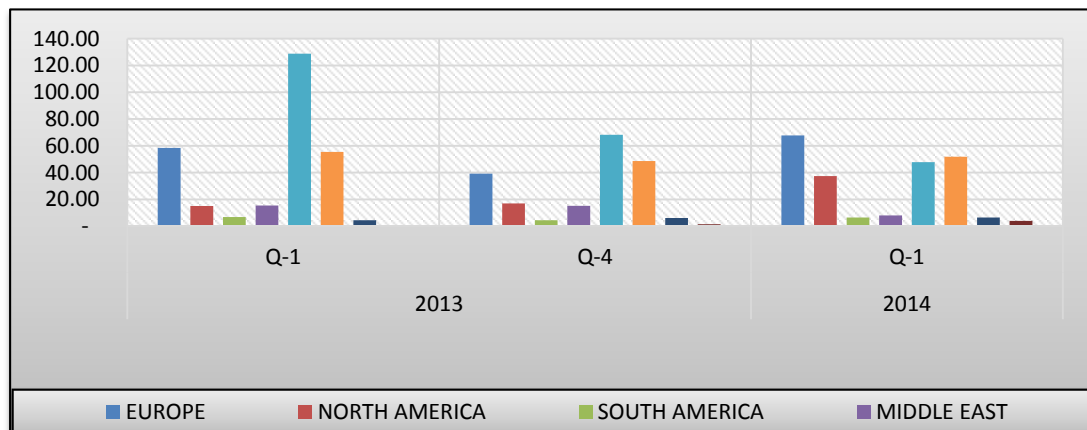
REGIONS	2013				2014	
	1 st Quarter		4 th Quarter*		1 st Quarter	
	Imports	% Share	Imports	% Share	Imports	% Share
EUROPE	58.42	20.5	39,232.3	19.6	67,718.8	29.5
NORTH AMERICA	15.01	5.3	17,029.54	8.5	37,417.5	16.3
SOUTH AMERICA	6.80	2.4	4,471.49	2.2	6,427.5	2.8
MIDDLE EAST	15.41	5.4	15,169.32	7.6	8,034.4	3.5
ASIA	128.79	45.3	68,193.24	34.1	47,747.5	20.8
ECOWAS	55.40	19.5	48,585.92	24.3	51,879.5	22.6
Others – Africa	4.48	1.6	6,127.53	3.1	6,427.5	2.8
Others	0.07	0.0	1,436.7	0.7	3,902.4	1.7
Total	284.4	100.0%	200,246.08	100.0	229,555.14	100.0

Sources: BIVAC, Ministry of Commerce & Industry, Customs-Ministry of Finance

*Revised

**Preliminary

**Chart 27: Sources of Imports
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(Import FOB Values In Millions US\$)**



5.3.1.4 Commodity Price Outlook

Despite stable energy price prospects and low international food prices, weak external demand for rubber and iron ore will present the major downside to Liberia's external trade performance in the near term.

a. Iron Ore & Rubber

On the back of weak external demand, notably as a result of the slowdown in the Chinese economy and political uncertainties in the euro area posed by the ongoing Russian-Ukrainian crisis, iron ore demand is expected to remain on the downward trend in the near term, with the IMF projecting a 3.1 percent and 1.6 percent declines in iron ore prices in the quarters ending June, 2014 and September, 2014, respectively. The upcoming rainy season will also affect domestic production, thus presenting a situation for possible price and volume downside effects.

Rubber prices are projected to decline by 5.7 percent during the quarter ending June, 2014 before normalizing upward during the second half of the year. However, with the United States recording weaker than expected growth coupled political uncertainties in the euro area and slowdown in the Chinese economy, there are high possibilities for perpetual rubber price decline in the short-to-medium term.

b. Petroleum

Despite the ongoing Russian-Ukrainian crisis and the hostilities in Northern Nigeria that continue to pose serious threats to global oil supply, global oil prices are expected to be broadly stable in the near term, with IMF latest projection expecting oil price to inch up by 1.5 percent at end-June, 2014. The key driver of stable energy prices continues to be the improving supply prospects in non-traditional oil producing regions, particularly the United States.

c. Rice

The downward trend in global food prices, mainly rice, as experienced during the last half of 2013, is projected to persist in the near term to be largely driven by expectations of further improved weather conditions and better harvests in major rice-producing countries. The IMF projects rice price to fall by 6.7 percent at the end of the next quarter.

5.3.2 Services

The Services sub-account deficit rose by 26.4 percent to US\$226.8 million at end-March, 2014, from US\$179.5 million at end-December, 2013 largely on account of a 25.1 percent rise in net service payments that outpaced the 22.7 percent increase in net service receipts. Similarly, on an annualized basis, the services sub-account deficit widened by 48.7 percent also explained by increased payments over receipts. The ongoing draw-down on operations of UNMIL, a key source of services receipts and growing domestic private sector activities largely drove the widening in net service payments.

5.3.3 Income

Provisional estimates show that the deficit on the income sub-account narrowed by 26.6 percent to US\$198.1 million at the end of the quarter under review from US\$270.0 million at end-December, 2013. However, when compared with the level recorded at end-March, 2013, the income deficit position widened by 42.0 percent. The improvement in the income sub-account deficit was largely explained by similar trends in net investment income during the quarter.

5.3.4 Current Transfers

Net current transfers rose by 17.1 percent to US\$293.8 million at end-March, 2014 from US\$250.9 million at end-December, 2013, largely on account of a 64.6 percent rise in public transfers from grants, that outweighed the 21.7 percent fall in private transfers as a result of similar decline in net inward workers' remittances. On a year-on-year basis, net current transfers rose by 76.1 percent on the back of annualized increase in net public transfers (Table 24).

Table 30: Inward & Outward Workers' Remittances
 (1st & 4th Quarters, 2013; 1st Quarter, 2014)
 (In Millions US\$)

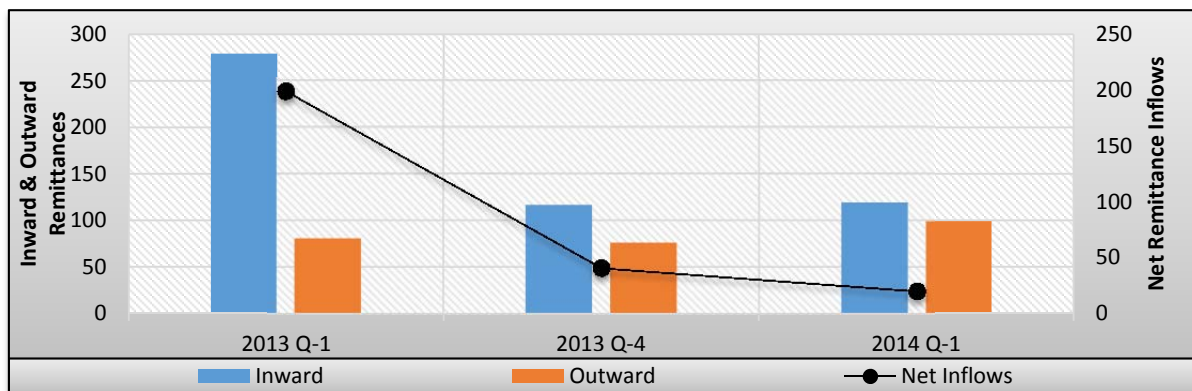
Remittances	2013		2014
	Q-1	Q-4	Q-1
<i>Inward</i>	279.2	116.7	119
<i>Outward</i>	80.7	76	99
<i>Net Inflows</i>	198.5	40.7	20

Source: Central Bank of Liberia

5.3.4.1 Workers' Remittances

For the quarter ended-March, 2014, net workers' remittances fell by 50.9 percent to a net inflow of US\$20 million, from a net inflow of US\$40.7 million at end-December, 2013, largely on the back of a 30.3 percent rise in outward remittances that outweighed the 2.0 percent rise in inward workers' remittances. Compared with the corresponding period in 2013, net remittance inflows fell by 89.9 percent. The rise in outward remittances largely reflected increased non-resident employment in Liberia as a result of growing foreign concession activities, particularly in the mining sector. Weaker than expected growth prospects coupled with low quality employment (short-term jobs) in the United States and struggling economic recovery in the euro area, particularly in the wake of the ongoing Russian-Ukrainian crisis, triggered the poor performance of inward workers' remittances.

Chart 28: Inward & Outward Workers' Remittances
 (1st & 4th Quarters, 2013; 1st Quarter, 2014)
 (In Millions US\$)



5.3 Financial & Capital Accounts

5.4.1 The Capital Account

The capital account balance stood at US\$151.0 million at end-March, 2014, from US\$43.0 million at end-December, 2013 solely driven by an equivalent trend in capital transfers. The rise in capital transfers was largely indicative of the increased international aid towards infrastructure, particularly road construction and energy.

5.4.2 The Financial Account

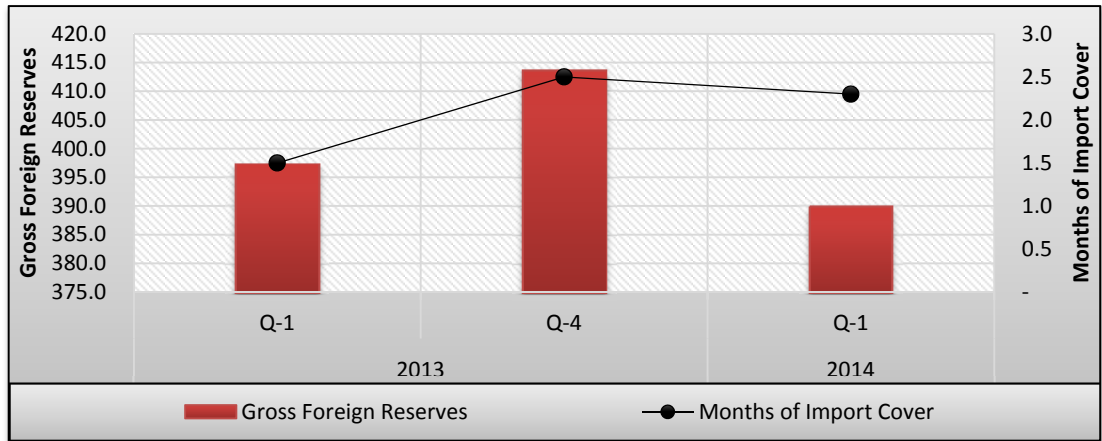
Provisional estimates show a 35.9 percent decline in the financial account balance at end-March, 2014 to US\$199.3 million from US\$311.1million at end-December, 2013 largely on the back of items classified in the “Other Investments” category that outweighed the increase in net foreign direct investment and trade credit. The decline in “Other investment” was largely as a result of declines in currency and deposits and other assets as reported in this category. Despite quarterly decline in investment income largely as a result of low reinvestment of earnings, foreign direct investment in the domestic economy grew by 14.2 percent to US\$81.6 million at end-March, 2014, from US\$71.5 million at end-December, 2013 largely on the back of improved growth prospects, particularly in the mining and services sectors.

During the reviewed quarter, Liberia’s net external liability on trade credit increased to US\$11.8 million, from a net trade receivable of US\$1.3 million at end-December, 2013. However, on a yearly comparison, trade credit recorded 84.7 percent decline over the level recorded at end-March, 2013 (Table 24).

6.0 International Reserves

At end-March, 2014, gross international reserves including SDR holding fell by 5.7 percent to US\$389.9 million, from US\$413.6 million at end-December, 2013. Compared with the corresponding quarter in 2013, gross international reserves declined by 1.9 percent at the end of the quarter. At end-March, 2014, gross international reserves in months of import cover stood at 2.3 months, from 2.5 months at end-December, 2013. Liberia remains below the West African Monetary Zone (WAMZ) minimum threshold of 3.0 months of gross external reserves in months of import cover for the quarter under considerations. (Chart 29).

Chart 29: Gross External Reserves in Months of Import Cover
 (1st& 4th Quarters, 2013; 1st Quarter, 2014)
 (In Million US\$)



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**Table 2: Key Agricultural Production
(1st & 4th Quarters, 2013; 1st Quarter, 2014)**

Commodity	Unit	1 st Quarter 2013	4 th Quarter, 2013	1 st Quarter 2014
Rubber	Mt	10,139	17,950	14,584
Cocoa	Mt	1,594	2,987	2,012
Coffee	Mt	96	NA	NA
Round Logs	M3	NA	13,471	11,191*
Sawn Timber	Pcs	100,961	111,926	120,722*

SOURCE: Ministry of Commerce & Industry; Liberia Produce & Marketing Corporation; Forestry Development Authority

**Table 3: Key Industrial Output
(1st & 4th Quarters, 2013; 1st Quarter, 2014)**

Commodity	Unit	1 st Quarter, 2013	4 th Quarter, 2013	1 st Quarter, 2014
Diamond	Carat	11,406	14,067	17,623
Gold	Ounce	5,442	4,178	4,059
Iron ore	Mt.	1,177,500	1,486,820	1,440,430
Cement	Mt	20,491	65,942	93,310
Spirit	Litre	122,328	89,376	92,301
Beer	Litre	2,378,638	2,305,262	1,981,911
Stout	Litre	1,475,995	1,561,373	1,436,302
Malta	Litre	184,829	211,504	207,908
Soft Drinks	Litre	3,598,402	3,267,238	3,272,960
Oil Paint	Gal.	32,103	62,051	29,197
Water Paint	Gal.	26,510	58,526	43,296
Varnish	Gal.	5,550	6,168	3,689
Manoline Hair Grease	Kg.	4,830	12,390	7,342
Soap	Kg.	69,498	62,528	70,876
Candle	Kg.	41,433	47,565	65,048
Chlorox	Litre	199,829	168,031	208,383
Rubbing Alcohol	Litre	54,386	91,826	59,510
Thinner	Gal.	4,730	5,729	1,729
Mattresses	Pcs.	28,240	23,660	35,520
Finished Water	Gal.	289,269,198	506,674,840	429,035,601
Mineral water	Litre	N/A	N/A	8,524,738

**Table 4: Consumption of Petroleum Products
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Gallon)**

Commodity	Unit	1 st Quarter 2013	4 th Quarter 2013	1 st Quarter 2014
Premium(PMS)	Gallon	12,759,274	9,598,206	7,101,558
Diesel(AGO)	Gallon	38,803,132	9,754,017	12,308,919
Kerosene(ATK)	Gallon	0	-	-
Jet-Fuel(JET-A)	Gallon	4,898,704	1,492,440	2,700,234
Total		56,461,110	20,844,663	22,110,712

Source: Ministry of Commerce, Monrovia, Liberia

**Table 5: Vessel Traffic and Cargo Movements
(1st & 4th Quarters, 2013; 1st Quarter, 2014)**

	No. Of Vessels	Vessel Weight (SDWT*)	Cargo Tonnage (in Metric tons)		
			Imports	Exports	Total
1 st Quarter 2013	145	3,567,620	357,358	1,357,721	1,714,879
4 th Quarter 2013	133	3,716,728	404,099	1,603,607	2,007,706
1 st Quarter 2014	152	4,748,857	516,147	1,628,422	2,144,568

*Source: National Port Authority (NPA), Monrovia, Liberia
SDWT=Summer Dead Weight Tons*

Table 6: Headline and Quarterly Changes in CPI (%)

	Headline Inflation (Yr.-on-Yr. changes)			Monthly Changes in HCPI (%)		
	Combined	Food	Non-Food	Combined	Food	Non-Food
Jan-12	8.9	11.9	5.9	0.6	0.8	0.5
Feb	10.3	13.6	6.6	1.8	3.1	0.5
Mar	8.7	12.8	6.6	-1.4	-2.7	0.0
Apr	7.7	11.7	3.8	-0.5	-1.1	0.1
May	6.7	10.4	3.1	0.5	0.4	0.7
Jun	7.1	11.2	3.0	2.0	3.8	0.2
Jul	3.6	5.6	1.5	1.6	3.5	-0.5
Aug	4.3	7.5	0.7	1.6	3.7	-0.8
Sep	5.7	9.6	1.6	-1.1	-2.8	0.9
Oct	4.8	6.1	3.5	1.1	0.3	1.9
Nov	7.3	11.5	2.9	0.8	2.2	-0.7
Dec	7.7	12.2	3.0	0.5	0.7	0.3
Jan-13	8.0	13.4	2.4	0.9	1.9	-0.2
Feb	5.5	7.7	3.1	-0.6	-2.1	1.1
Mar	8.4	13.7	2.9	1.3	2.6	-0.1
Apr	8.7	15.0	2.1	-0.2	0.0	-0.6
May	6.5	9.9	3.0	-1.5	-4.1	1.5
Jun	7.0	11.1	2.6	2.6	4.9	-0.1
Jul	7.1	8.8	5.2	1.7	1.3	2.0
Aug	7.5	8.1	6.7	1.9	3.1	0.6
Sep	8.2	9.1	7.1	-0.5	-1.9	1.3
Oct	8.5	11.6	5.1	1.4	2.6	0.0
Nov	7.0	8.1	5.8	-0.6	-1.0	-0.1
Dec	8.5	7.7	9.4	1.9	0.4	3.7
Jan-13	7.7	5.6	10.2	0.1	-0.2	0.5
Feb	7.9	6.4	9.5	-0.4	-1.3	0.5
Mar	8.9	5.5	12.9	2.3	1.7	3.0

Sources: CBL & LISGIS, Monrovia, Liberia

Table 7: Inflation by sub-groups: Year-on-Year Changes in CPI (%)

INFLATION BY SUB-GROUPS: YEAR-ON-YEAR CHANGES IN HCPI(%): 2010-2012

Food Group	Weight	Q4-12	Q1-13	Q4-13	Q1-14	Non-Food Group	Weight	Q4-12	Q1-13	Q4-13	Q1-14
Frozen Meat	0.16	16.75	10.24	8.30	27.1	Alcoholic Beverages,	3.03	0.00	10.90	9.77	7.33
Stone Fruits	0.27	4.31	6.65	-7.67	29.75	Tobacco	7.75	-3.77	4.79	4.58	3.90
Coffee, Tea & Cocoa	0.65	6.12	6.25	13.29	31.40	Clothing & Footwear	12	0.00	6.20	6.73	7.35
Sugar, jam, confectionary...	1.40	19.49	23.31	3.37	7.43	Housing, Water, Elect, Gas & Fuels	5.25	2.98	0.11	12.15	7.65
						Furnish, H/H Equip, & Rout Maint	3.91	-	-	14.81	30.76
						Health	6.11	0.00	3.65	3.19	11.24
						Transport	1.53	0.11	0.15	1.32	1.30
						Communications	3.85	4.87	6.61	8.81	10.48
						Recreation & Culture	3.20	0.00	0.00	0.00	0.00
						Education	4.64	1.50	2.43	12.99	13.31
						Hotel & Restaurants	3.53	4.98	5.38	9.28	16.03
						Miscellaneous gds & serv.					

**Table 8: Harmonized Consumer Price Index (HCPI) By Major Groups
Year-on-Year Rates of Inflation
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(December, 2005=100)**

FUNCTION	WEIGHT	13-Jan	13-Feb	13-Mar	1st Quarter Ave. '13	13-Oct	13-Nov	13-Dec	4th Quarter Ave. '13	14-Jan	14-Feb	14-Mar	1st Quarter Ave. '14
ALCOHOLIC BEVERAGES	45.2	13.37	7.74	13.68	11.59	11.62	8.11	7.71	9.15	5.55	6.4	5.48	5.81
BEVERAGES, TOBACCO AND NARCOTICS	3.03	-0.31	2.76	6.32	2.92	6.43	6.47	8.04	6.98	11.81	8.66	10.4	10.29
CLOTHING AND FOOTWEAR	7.75	-0.84	2.41	1.49	1.02	9.5	10.17	10.56	10.08	14.89	15.17	19.67	16.58
ELECTRICITY, GAS AND OTHER FUELS	12	0.74	-0.21	-0.18	0.12	1.29	1.89	0.86	1.35	0.07	-0.24	1.83	0.55
HOUSEHOLD EQUIPMENT AND	5.25	-2.55	-1.12	-1.22	-1.63	7.27	8.9	13.69	9.95	23	12.06	20.04	18.37
HEALTH	3.91	0	0	-3.25	-1.08	0	2.67	4.76	2.48	5.19	8.12	22.15	11.82
TRANSPORT	6.11	10.94	10.89	10.52	10.78	-2.94	-2.11	14.36	3.1	8.5	12.59	12.65	11.24
COMMUNICATION	1.53	0.15	0.15	0.15	0.15	1.27	1.3	1.4	1.32	1.43	1.02	1.47	1.3
RECREATION AND CULTURE	3.85	6.7	6.58	6.54	6.61	8.06	9.07	9.3	8.81	9.88	9.64	11.91	10.48
EDUCATION	3.2	0	0	0	0	0	0	0	0	0	0	0	0
RESTUARANTS AND HOTELS	4.64	2.5	2.45	2.35	2.43	13.12	13.29	12.55	12.99	12.6	12.34	14.98	13.31
MISCELLANEOUS GOODS AND SERVICES	3.53	5.38	5.44	5.3	5.37	5.74	6.26	15.83	9.28	15.27	14.11	18.72	16.03
GENERAL RATE OF INFLATION	100	8	5.48	8.38	7.29	8.54	7.04	8.49	8.02	7.68	7.86	8.91	8.15

Sources: CBL & LISGIS, Monrovia, Liberia

**Table 9: Commercial Bank Loans by Economic Sector
(1st & 4th Quarters, 2013; 1st Quarters, 2014)
(In '000' L\$)**

	2013				2014	
	1 st Quarter	Share	4 th Quarter	Share	1 st Quarter	Share
Agriculture	1,279,791.9	6.4	1,494,837.9	5.5	1,782,106.6	6.3
Mining & Quarrying	151,978.0	0.8	100,320.0	0.4	134,406.0	0.5
Manufacturing	419,155.0	2.1	371,910.0	1.4	545,043.9	1.9
Construction	1,859,562.0	9.3	2,933,641.8	10.8	4,419,157.2	15.6
Trans., Storage & Comm.	1,714,390.7	8.5	2,274,076.9	8.4	2,394,505.1	8.5
Trade, Hotel & Rest.	8,385,823.1	41.7	10,860,881.0	40.0	12,788,116.9	45.2
Other	6,291,743.3	31.3	9,133,697.5	33.6	6,212,675.5	22.0
Total	20,102,444.0	100.0	27,169,365.1	100.0	28,276,011.2	100.0

Source: Central Bank of Liberia, Monrovia, Liberia

**Table 10: Commercial Bank's Interest Rates
(1st & 4th Quarters, 2013; 1st Quarters, 2014)**

Commercial Banks' Interest Rate	2013		2014
	1 st Quarter	4 th Quarter	1 st Quarter
Avg. Lending Rate	13.02	13.73	13.65
Avg. Personal Loan Rate	13.21	14.01	14.01
Avg. Mortgage Rate	12.00	14.29	14.25
Avg. Time Deposit Rate	3.60	3.60	3.80
Avg. Savings Rate	2.00	1.99	2.00
Avg. Rate on CDs	3.00	2.50	2.99

Source: Central Bank of Liberia, Monrovia, Liberia

**Table 11: Market Exchange Rate: Liberia Dollar per US Dollar
(1st & 4th Quarters, 2013; 1st Quarters, 2014)**

	2013		2014
	1 st Quarter	4 th Quarter	1 st Quarter
Market Rate End of Period	74.50	82.50	85.50
Market Rate Period Average	74.50	81.88	84.38

Source: Central Bank of Liberia, Monrovia, Liberia

**Table 12: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar
(2012-March, 2014)**

Period Average	2012		2013		2014	
	Buying	Selling	Buying	Selling	Buying	Selling
January	72.44	73.40	73.46	74.46	83.07	84.07
February	73.00	74.00	74.00	75.00	80.88	81.88
March	73.11	74.11	74.00	75.00	83.88	84.88
April	73.50	74.50	74.54	75.54		
May	74.41	75.37	75.13	76.13		
June	75.04	76.04	76.04	77.04		
July	73.62	74.58	76.56	77.56		
August	72.99	73.99	78.11	79.11		
September	72.84	73.80	79.14	80.14		
October	71.56	72.56	80.07	81.07		
November	71.75	72.75	80.48	81.48		
December	72.00	73.00	81.38	82.38		

Source: Central Bank of Liberia, Monrovia, Liberia

Table 13 Liberian Dollars in Circulation
(1st & 4th Quarters, 2013; 1st Quarters, 2014)
(In Millions L\$)

	2013		2014
	1st Quarter	4th Quarter	1st Quarter
Currency in banks	1,525.3	1,196.2	1,114.0
Currency outside banks	6,672.4	8,271.7	7,706.2
Currency in circulation	8,197.7	9,468.0	8,820.2

Table 14: Money Supply and its Sources
(1st & 4th Quarters, 2013; 1st Quarters, 2014)
(In Millions L\$)

Monetary Aggregates	2013		2014	Percent Change	
	1 st Quarter	4 th Quarter	1 st Quarter	Year-on-Year	Quarterly
1.0 Money Supply, M2 (1.1 +	46,291.7	54,956.4	54,326.9	17.4	-1.1
1.1 Money Supply, M1	31,839.3	38,666.5	37,061.6	16.4	-4.2
1.1.1 Currency outside banks	6,672.4	8,271.7	7,706.2	15.5	-6.8
1.1.2 Demand deposit ^{1/}	25,166.9	30,394.8	29,355.4	16.6	-3.4
1.2 Quasi Money	14,452.4	16,289.9	17,265.3	19.5	6.0
1.2.1 Time & Savings	14,094.2	16,252.3	17,226.5	22.2	6.0
1.2.2 Other deposits ^{2/}	358.3	37.6	38.8	-89.2	3.2
2.0 Net Foreign Assets	23,822.0	28,359.4	23,515.4	-1.3	-17.1
2.1 Central Bank	14,191.4	18,010.2	16,486.6	16.2	-8.5
2.2 Banking Institutions	9,630.6	10,349.2	7,028.8	-27.0	-32.1
3.0 Net Domestic Assets (1 - 2)	22,469.7	26,597.1	30,811.5	37.1	15.8
3.1 Domestic Credit	39,948.1	48,833.8	56,186.2	40.6	15.1
3.1.1 Government (net)	17,205.4	17,308.6	22,112.2	28.5	27.8
3.1.2 Pvt. Sector & Other Pvt. Sector	22,742.7	31,525.2	34,074.0	49.8	8.1
3.2 Other assets Net (3 - 3.1)	17,478.4	22,236.8	25,374.7	45.2	14.1
Memorandum Items	76,226.1	85,897.9	83,778.4	9.9	-2.5
1. Overall Liquidity	46,291.7	54,956.4	54,326.9	17.4	-1.1
2. Reserve Money	29,934.3	30,941.5	29,451.6	-1.6	-4.8
Currency outside banks	6,672.4	8,271.7	7,706.2	15.5	-6.8
Banks Reserves	23,261.9	22,669.8	21,745.4	-6.5	-4.1

Source: Central Bank of Liberia, Monrovia, Liberia

^{1/}Excludes managers checks from commercial banks.

^{2/}Includes official and managers checks issued by the Central Bank

Table 15: Broad Money; Share of US and Liberian Dollars
(1st & 4th Quarters, 2013; 1st Quarters, 2014)
(In Millions L\$)

	2013				2014	
	1 st Quarter	Share	4 th Quarter	Share	1 st Quarter	Share
Broad Money	46,292.1	100.0	54,956.4	100.0	54,326.9	100.0
US\$ Component (converted to L\$)	34,014.3	73.5	39,509.7	71.9	39,008.3	71.8
L\$ Component	12,277.8	26.5	15,446.7	28.1	15,318.6	28.2

Source: Central Bank of Liberia, Monrovia, Liberia

**Table 16: CBL's Foreign
Exchange Sale Auction**
(1st & 4th Quarters, 2013; 1st Quarters, 2014)
(In Million US\$)

	2013		2014
	1 st Quarter	4 th Quarter	1 st Quarter
FX Sold	26.3	5.70	14.45

Source: Central Bank of Liberia, Monrovia, Liberia

Table 17: Government of Liberia Treasury Bill Auction
(1st Quarters, 2014)
(In Millions of Liberian Dollar)

Date	Amount Issued GoL	Value of bid(s) Received	Over/(Under) Subscription	Cut-Off Interest Rate (%)	Weighted Average Discount Rate (%)
6-Mar-14	83,500,000.00	100,150,000.00	16,650,000.00	5.00	3.90
6-Feb-14	58,300,000.00	58,300,000.00	(22,200,000.00)	4.50	3.71
2-Jan-14	82,500,500.00	98,950,000.00	16,450,000.00	3.10	2.51
	224,300,000.00	257,400,000.00	10,900,000.00	4.20	3.37

Source: Central Bank of Liberia, Monrovia, Liberia

**Table 18: Central Bank of Liberia Bill Auction
(January-March, 2014)**

Date	Amount Issued	Value of bid(S) Received	Cut off Rate (%)	Weighted Average Discount Rate (%)
17-Jan-14	720,000,000.00	720,000,000.00	6.75	5.78
10-Jan-14	885,000,000.00	885,000,000.00	4.00	3.01
Total	1,605,000,000.00	1,605,000,000.00	5.38	4.40

Source: Central Bank of Liberia, Monrovia, Liberia

**Table 19: Government of Liberia's Fiscal Indicators
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Million, L\$)**

Indicators	2013		2014
	1 st Quarter	4 th Quarter	1 st Quarter
Total Revenue & Grants	9,400.18	11,192.88	9,885.92
<i>% of GDP</i>	6.19	7.37	5.79
Total Revenue Excluding Grants	8,246.76	8,875.92	9,885.92
<i>% of GDP</i>	5.43	5.84	5.79
Tax Revenue	6,845.17	7,118.78	8,169.89
<i>% of GDP</i>	4.51	4.69	4.79
Nontax Revenue Including Grants	2,555.01	4,074.10	1,716.03
<i>% of GDP</i>	1.68	2.68	1.01
Nontax Revenue Excluding Grants	1,401.59	1,757.14	1,716.03
<i>% of GDP</i>	0.92	1.16	1.01
Grants	1,153.42	2,316.96	-
<i>% of GDP</i>	0.76	1.52	-
Total Expenditure	10,702.32	10,512.08	10,897.95
<i>% of GDP</i>	7.04	6.92	6.38
Recurrent Expenditure	8,582.40	10,002.92	9,495.26
<i>% of GDP</i>	5.65	6.58	5.56
Capital Expenditure	2,056.22	438.51	1,311.34
<i>% of GDP</i>	1.35	0.29	0.77
Interest on Debt & Other Charges	63.70	70.65	91.36
<i>% of GDP</i>	0.04	0.05	0.05
Compensation of Employees	3,665.36	4,161.34	3,568.33
<i>% of GDP</i>	2.41	2.74	2.09
Expenditure on Goods and Services	3,182.60	3,811.72	3,642.53
<i>% of GDP</i>	2.09	2.51	2.13
Overall Balance	(1,302.15)	680.80	(1,012.04)
<i>% of GDP</i>	(0.86)	0.45	(0.59)
Stock of Public Debt (In Millions, US\$)**	565.46	630.55	657.60
<i>% of GDP</i>	28.81	32.13	31.40
Stock of External Debt (In Millions, US\$)**	290.45	337.84	365.67
<i>% of GDP</i>	14.80	17.21	17.46
Stock of Domestic Debt (In Millions, US\$)**	275.01	292.71	291.93
<i>% of GDP</i>	14.01	14.91	13.94
Nominal GDP (In Millions, US\$)	1,945.8	1,945.8	2,119.1

Grants
(In Millions, L\$)

Revenue Sources	2013		2014	
	1 st Quarter	4 th Quarter	1 st Quarter	1 st Quarter
	Actual			Projections
A. Tax Revenue	6,845.2	7,118.8	8,169.9	8,291.3
i. International Trade Taxes	2,526.4	2,934.2	3,054.7	3,145.1
<i>Taxes & Duties on Imports</i>	2,514.6	2,925.6	3,047.6	3,130.4
<i>Taxes on Exports</i>	11.8	8.6	7.0	14.7
ii. Taxes on Income & Profits	2,633.2	2,812.4	3,176.1	3,225.2
<i>Individual Taxes on income & profits</i>	2,418.8	2,562.4	2,959.2	2,902.7
<i>Taxes Payable by Corporate Entities</i>	197.7	226.6	192.9	291.4
<i>Others</i>	16.7	23.3	23.9	31.1
iii. Sale Taxes on Goods & Services	1,118.6	1,324.9	1,250.5	1,229.4
<i>Goods & Service Tax</i>	529.2	495.9	584.6	647.2
<i>Excise Taxes</i>	52.1	51.9	100.9	55.7
<i>Maritime Revenue</i>	155.4	666.4	200.9	248.8
<i>Others</i>	381.9	110.6	364.1	277.7
iv. Property & Real Estate Taxes	71.4	45.7	127.4	93.6
v. Other Tax Revenue ¹	495.5	1.6	561.2	598.1
B. Non-Tax Revenue	2,555.0	4,074.1	1,716.0	1,721.4
i. Charges & Other Administrative Fees	1,353.8	1,757.1	1,716.0	1,505.2
ii. Grants	1,153.4	2,317.0	-	216.2
iii. Others	47.7	-	-	-
<i>Contingent Revenue</i>	47.7	-	-	-
<i>Borrowing</i>	-	-	-	-
<i>Carry Forward</i>	-	-	-	-
Grand Total (A + B)	9,400.2	11,192.9	9,885.9	10,012.8

Source: Ministry of Finance, Republic of Liberia

¹Tax Revenue not elsewhere mentioned

²In CBL Quarterly Reporting System, Fiscal Year (FY) - 3rd Quarter, is Annual Year (AY) - 1st Quarter

Table 21: Government of Liberia's Total Expenditure
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In Millions, L\$)

Expenditure by Codes	2013		2014
	1st Quarter	4th Quarter	1st Quarter
Recurrent Expenditure	8,582.4	10,002.9	9,495.3
Salaries & Allowances	3,665.4	4,161.3	3,568.3
Expenditure on Goods & Services	3,182.6	3,811.7	3,642.5
Subsidies	-	-	-
Grants	1,704.2	2,008.5	2,262.5
Social Benefits	30.2	21.3	21.9
Others	-	-	-
Capital Expenditure	2,056.2	438.5	1,311.3
Depreciation	-	-	1.6
Acquisition of Fixed Assets	2,039.8	438.5	1,290.5
Others	16.4	-	19.2
Interest on Debt and Other Charges	63.7	70.6	91.4
On Domestic & Foreign Debts	-	-	-
To Non-Residents	63.7	70.6	91.4
Others	-	-	-
Other Expenditures¹	-	-	-
Total Expenditure	10,702.3	10,512.1	10,898.0

¹ Expenditures not elsewhere mentioned

Table 22: Liberia's Overall Public Debt Composition
(As At March 30, 2014)
(In Millions, US\$)

Debt Composition	2013		2014*
	1st Quarter	4th Quarter	1st Quarter
Total External Debt	290.5	337.8	365.7
Total Domestic Debt	275.0	292.7	294.9
Total Public Debt	565.5	630.6	660.6

Source: Ministry of Finance, Republic of Liberia

**Preliminary by the CBL*

Table 23: Liberia's Overall Public Debt Position
(As At March 30, 2014)
(In Millions, US\$)

Creditors	2013		2014*
	1st Quarter	4th Quarter	1st Quarter
Multilateral	157.2	215.5	243.7
Bilateral	133.2	122.4	122.0
Commercial Creditors	-		-
Total External Debt	290.5	337.8	365.7
Suppliers' Credit (Valid Claims)	1.9	1.9	1.9
Salary & Allowances	3.7	5.0	5.0
Financial Institutions	267.2	285.8	288.0
Pre- NTGL Salary Arrears	1.3	-	-
Others	0.9	-	-
Total Domestic Debt	275.0	292.7	294.9
Total Public Debt	565.5	630.6	660.6

Source: Ministry of Finance, Republic of Liberia

**Preliminary by the CBL*

Table 24: Liberia's Quarterly Balance of Payments⁶
(In Million US Dollars)

Year	2013		2014	Q-o-Q Change		Y-o-Y Change	
	Q-1*	Q-4*	Q-1**	Absolute	% Change	Absolute	% Change
CURRENT ACCOUNT							
Current Account Balance	(283.3)	(239.6)	(208.2)	31.5	(13.1)	75.1	(26.5)
Current Account Balance, excluding grants	(460.0)	(449.8)	(482.9)	(33.11)	7.4	(23.0)	5.0
Trade Balance	(157.5)	(41.1)	(77.0)	(36.0)	87.6	80.5	(51.1)
Merchandise Exports (FOB)	126.9	159.1	152.5	(6.61)	(4.2)	25.7	20.2
Iron ore	69.5	93.88	100.6	6.72	7.2	31.1	44.8
Rubber	27.7	40.33	30.2	(10.15)	(25.2)	2.5	9.1
Non-Iron Ore & Rubber Exports	29.7	24.94	21.8	(3.18)	(12.8)	(8.0)	(26.8)
Merchandise Imports (FOB)	(284.4)	(200.2)	(229.6)	(29.36)	14.7	54.8	(19.3)
Oil (Petroleum)	61.1	53.60	65.8	12.19	22.7	4.7	7.6
Rice	12.0	14.00	10.3	(3.72)	(26.6)	(1.8)	(14.6)
Machinery & Transport Equipmen	87.5	43.80	50.0	6.16	14.1	(37.5)	(42.9)
Others	123.7	88.80	103.5	14.73	16.6	(20.2)	(16.3)
Services (Net)	(152.6)	(179.5)	(226.8)	(47.33)	26.4	(74.3)	48.7
Receipts	76.4	89.88	110.3	20.42	22.7	33.9	44.4
Payments	(229.0)	(269.39)	(337.1)	(67.74)	25.1	(108.2)	47.2
Income (Net)	(139.5)	(270.01)	(198.12)	71.9	(26.62)	(58.6)	42.02
Investment income (net)	(139.5)	(270.0)	(198.1)	71.88	(26.6)	(58.6)	42.0
Other Income	-	-	-	-	-	-	-
Current transfers (Net)	166.3	250.92	293.79	42.87	17.1	127.5	76.7
Public transfers (net)	176.6	210.17	274.8	64.58	30.7	98.1	55.6
Grants (net)	176.6	210.17	274.8	64.58	30.7	98.1	55.6
Private transfers (net)	(10.4)	40.74	19.0	(21.71)	(53.3)	29.4	(283.5)
Workers' Remittances (net)	(10.4)	40.74	19.0	(21.71)	(53.3)	29.4	(283.5)
Capital & Financial Account	289.0	311.1	350.4	39.3	12.6	61.5	21.3
Capital Transfers (Net)	36.5	42.99	151.1	108.12	251.5	114.6	313.8
Financial Account	252.4	311.1	199.3	(111.79)	(35.9)	(53.1)	(21.0)
Direct investment in reporting ec	57.2	71.5	81.6	10.13	14.2	24.4	42.7
Portfolio Investment (Net)	-	-	-	-	-	-	-
Other Investment (Net)	122.4	122.39	110.2	(12.14)	(9.9)	(12.1)	(9.9)
Trade Credit	77.0	(1.25)	11.8	13.04	(1,040.1)	(65.2)	(84.7)
Reserve Assets	(4.1)	(2.94)	(4.4)	(1.43)	48.5	(0.3)	6.1
Erros and Omissions	(257.7)	(214.4)	(290.9)	(76.54)	35.7	(33.2)	12.9
OVERALL BALANCE/1	(252.1)	(142.9)	(148.7)	(5.8)	4.0	103.4	(41.0)
Financing	252.1	142.9	148.7				
Changes in Gross Foreign Reserves (mill	(32.1)	16.30	(23.7)				
Memorandum Items							
Annual Nominal GDP (millions US\$	1,977.0	1,977.0	2,119.1				
Total Merchandise Imports(CIF)_Exclud	541.7	540.9	593.6				
Current Account balance as % of GDP/2	(37.80)	(60.30)	(53.00)				
Gross External Reserves (millions U	397.3	413.6	389.9				
Gross External Reserves in months of im	1.5	2.5	2.3				

*Revised Estimates

**Provisional Staff Estimates

The Overall Balance is the sum of the current, capital and financial accounts less the sum of the exceptional financing items (Reserve Assets, Trade Credit and Grants-receipts)

Foreign direct investments (including reinvestments of earnings) and trade credit are the principal sources of financing for Liberia's improving BOP balance

/1 Total CIF Imports excluding iron-ore related imports (ArcelorMittal & China Union Imports)

/2 Annual Nominal GDP estimates quarterized using Quadratic match sum function in E-views

/3 Total CIF imports excluded Iron-ore related imports

⁶ Provisional balances are measured on IMF Balance of Payments Manual (BPM5) Standards

Table 25: Balance of Trade
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In '000' US\$)

	1 st Quarter, 2013	4 th Quarter, 2013*	1 st Quarter, 2014**
Total Export	126,888.80	159,148.97	152,539.9
Total Imports (F.O.B)⁷	284,388.18	235,637.05	229,555.1
Total Trade	411,276.98	394,786.02	382,095.1
Trade Balance	(157,499.38)	(76,488.08)	(77,015.2)

Sources: Ministry of Commerce & Industry, BIVAC, Firestone Liberia, Ministry of Lands, Mines & Energy, Forestry Development Authority

**Revised*

***Preliminary*

Table 26: Commodity Composition of Exports
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In '000' US\$)

Commodity Composition of Exports	Unit	1 st Quarter, 2013		4 th Quarter, 2013*		1 st Quarter, 2014	
		Volume In '000'	Value In '000' US\$	Volume In '000'	Value In '000' US\$	Volume In '000'	Value In '000' US\$
Rubber	Mt.	10.14	27,675.77	17.95	40,333.16	14.58	30,183.21
Cocoa Beans	Mt.	0.47	314.50	3.70	2,539.53	2.15	1,602.25
Coffee Beans	Mt.	0.20	65.00	0.00	0.00	0.00	0.00
Iron Ore	Mt.	1,177.50	69,481.42	1,335.98	93,878.10	1,440.43	100,600.36
Diamond	Carat	11.41	4,063.37	14.07	4,848.63	17.62	6,973.66
Gold	Ounce	5.44	6,790.01	4.18	4,097.46	4.06	3,954.11
Round Logs	m ³	13.84	2,243.26	7.23	7,788.02	34.18	6,956.04
Others ¹			16,255.47		5,664.07		2,270.31
Total			126,888.80		159,148.97	-	152,539.94

Sources: BIVAC, Ministry of Lands, Mines & Energy, Forestry Development Authority, Ministry of Commerce & Industry

**Revised*

⁷ Imports are measured on FOB basis consistent with applications in the Balance of Payments compilation. For the Quarters ended March, 2013 and December, 2013, FOB was estimated at 89.0 percent of CIF; at end-March, 2014, FOB accounted for 86.8 percent of CIF

Table 27: Commodity Composition of Imports
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(In '000' US\$)

Commodity	1 st Quarter, 2013		4 th Quarter, 2013		1 st Quarter, 2014	
	Amount	% Share	Amount	% Share	Amount	% Share
Food and Live Animals	29,939.04	10.5	37,004.88	15.7	26,734.98	11.6
O/w Commercial Rice	12,020.31	4.2	18,694.79	7.9	10,277.50	4.5
O/w Non-commercial Rice	12.98	0.0	6.40	0.0	-	-
Beverages and Tobacco	20,608.41	7.2	20,537.47	8.7	21,025.68	9.2
Crude Materials & Inedible except Fuel	3,689.50	1.3	3,792.36	1.6	3,215.54	1.4
Minerals, Fuel, Lubricants	70,986.12	25.0	70,873.06	30.1	77,759.03	33.9
O/w Petroleum Products	61,122.09	21.5	64,238.12	27.3	65,787.52	28.7
Animal and Vegetable Oils	8,160.25	2.9	8,891.05	3.8	3,153.32	1.4
Chemicals & Related Products	14,782.46	5.2	13,190.46	5.6	18,551.31	8.1
Mfg. Goods classified chiefly by Materials	43,435.33	15.3	25,063.43	10.6	23,617.50	10.3
Machinery & Transport Equipment	87,485.06	30.8	49,730.50	21.1	49,963.53	21.8
Misc. Mfg. Articles	5,302.01	1.9	6,553.84	2.8	5,534.25	2.4
TOTAL	284,388.2		235,637.05		229,555.14	

Sources: BIVAC, Ministry of Commerce & Industry, Customs-Ministry of Finance

Table 28: Destination of Exports
(1st & 4th Quarters, 2013; 1st Quarter, 2014)
(Export Values In '000' US\$)

REGIONS	2013				2014	
	1 st Quarter		4 th Quarter*		1 st Quarter	
	Exports	% Share	Exports	% Share	Exports	% Share
EUROPE	45.0	35.5%	51,256.71	32.1	57,980.92	38.0
NORTH AMERICA	23.5	18.5%	30,340.83	19.0	40,013.74	26.2
SOUTH AMERICA	0.0	0.0%	3,562.50	2.2	3,417.09	2.2
MIDDLE EAST	0.5	0.4%	12,085.46	7.6	11,592.17	7.6
ASIA	37.3	29.4%	54,330.02	34.1	32,112.47	21.1
ECOWAS	5.5	4.3%	1,935.40	1.2	2,128.78	1.4
Others – Africa	0.1	0.1%	4,881.87	3.1	4,682.61	3.1
Others	15.0	11.8%	1,144.64	0.7	612.16	0.4
Total	126,888.8	100.0%	159,537.43	100.0	152,539.94	100.0

Sources: BIVAC, Ministry of Lands, Mines & Energy, Forestry Development Authority, Ministry of Commerce & Industry

*Revised

**Preliminary

Table 29: Sources of Imports
1st & 4th Quarters, 2013; 1st Quarter, 2014
(Import FOB Values In Millions US\$)

REGIONS	2013				2014	
	1 st Quarter		4 th Quarter*		1 st Quarter	
	Imports	% Share	Imports	% Share	Imports	% Share
EUROPE	58.42	20.5	51,746.20	22.0	67,718.8	29.5
NORTH AMERICA	15.01	5.3	26,865.17	11.4	37,417.5	16.3
SOUTH AMERICA	6.80	2.4	5,612.85	2.4	6,427.5	2.8
MIDDLE EAST	15.41	5.4	18,814.73	8.0	8,034.4	3.5
ASIA	128.79	45.3	58,634.90	24.9	47,747.5	20.8
ECOWAS	55.40	19.5	66,161.72	28.1	51,879.5	22.6
Others – Africa	4.48	1.6	6,255.44	2.7	6,427.5	2.8
Others	0.07	0.0	1,546.05	0.7	3,902.4	1.7
Total	284.4	100.0%	235,637.05	100.0	229,555.14	100.0

Sources: BIVAC, Ministry of Commerce & Industry, Customs-Ministry of Finance

*Revised

**Preliminary

Table 30: Inward & Outward Workers' Remittances
1st & 4th Quarters, 2013; 1st Quarter, 2014
(In Millions US\$)

Remittances	2013		2014
	Q-1	Q-4	Q-1
<i>Inward</i>	279.2	116.7	119
<i>Outward</i>	80.7	76	99
<i>Net Inflows</i>	198.5	40.7	20

Source: Central Bank of Liberia